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Moldovan Headaches

The Republic of Moldova 120 days after the
2001 Parliamentary Elections

Working Paper 3



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1. Introduction

The 2001 Parliamentary Elections in the Republic of Moldova were conducted in an atmosphere of extreme social and economic hardship. The average monthly salary in the former Soviet Republic, sandwiched between Romania and Ukraine, is around 30 US-Dollar today and the real GDP of the country has fallen to 30 percent of the pre-independence level¹. Moldova, which has no natural resources and whose economy is dominated by the agricultural sector, has now replaced Albania as the poorest country in Europe. When Moldovans were asked in a recent opinion poll what they fear most, 39 percent of the respondents answered 'poverty'. In the same poll 87 percent stated that their income is hardly enough to cover their minimum expenses and 52 percent said that they would leave Moldova for good or at least for a certain period of time². Already today over 700,000 Moldovan citizens are said to be abroad. Ten years after independence, Moldova has become a country without much hope, battered not only by economic decline, corruption³ and debt⁴ but also by an identity crises. The discussions of the early nineties, on whether Moldova is a nation in its own right or simply an offshoot of Romania, have quieted down, but not disappeared altogether. The conflicts between pro-Romanian unionists and Moldovanists have made it also more difficult to create a civic identity, which would include the Russians, the Ukrainians, the Gagauz, the Bulgarians, the Jews and other non-Moldovans which account for nearly 35 percent of the Republic's population.

The growing pro-Romanian nationalism in the early nineties was also partly responsible for the outbreak of the separatist conflicts in the southern Gagauz and the eastern Transdnistrian region⁵. The conflict between the central government and the Gagauz did not escalate to large-scale violence and an autonomy solution was found in 1994⁶. The conflict between Chisinau and the separatists in the Transdnistrian region, however, escalated during the spring of 1992 into a full-scale civil war which left over 1,000 people dead. Transdnistria,

¹ Leonid Cernei, Republik Moldova: Die Wahlen sind vorbei, aber Wahlen gibt es immer wieder, in: Rissener Rundbrief 4-5/2001, pp.35-40, p. 37.

² CSOP – Centrul pentru Studiarea Opiniei si Pieței, Barometrul de opinie publică, Republica Moldova. ianuarie 2001.

³ According to Transparency International, the Republic of Moldova is amongst the 25 most corrupt countries of the world, see Transparency International Annual Report 2000.

⁴ By 1999 the external debt of Moldova had risen to 116% of the GDP, see UNDP, National Human Development Report Republic of Moldova 2000, p. 73.

⁵ See Jeff Chinn / Steve Ropers, Ethnic Mobilization and Reactive Nationalism: The Case of Moldova, in: Nationalities Papers, 23 (1995), 2, pp. 291-325; William Crowther, Ethnic Politics and the Post-Communist Transition in Moldova, in: Nationalities Papers, 26 (1998), 1, pp. 147-64.

⁶ For the Gagauz conflict in Moldova see, *inter alia*, Jeff Chinn / Steve Ropers, Territorial Autonomy in Gagauzia, in: Nationalities Papers, 26 (1998), 1, pp. 87-10; Charles King, Gagauz-Yeri and the Dilemmas of Self-Determination, in: Transitions 1 (1995), 19, pp. 21-25; Rudolf Mark, Das Gesetz über die besondere Rechtsstellung von Gagausien (Gagauz-Yeri), in: WGO-Monatshefte für Osteuropäisches Recht, 37 (1995), 5, pp. 291-297. Randolph Oberschmidt, Neue Satzung für Gagausien (Gagauz-Yeri) in der Republik Moldau, in: WGO-Monatshefte für Osteuropäisches Recht 41 (1999), 1, pp. 13-21; Vladimir Socor, Gagauz Autonomy in Moldova: A Precedent for Eastern Europe?, in: RFE/RL Research Report 3 (1994), 33, pp. 20-28; Vladimir Socor, Gagauz in Moldavia Demand Seperate Republic, in: Report on the USSR 2 (1990), 36, pp. 8-13; Paula Thompson, The Gagauz in Moldova and Their Road to Autonomy, in: Magda Opalski [ed.], Managing Diversity in Plural Societies - Minorities, Migration and Nation-Building in Post-Communist Europe, Ontario 1998, pp. 128-147.

which represents the most industrialised part of the former Moldovan Socialist Soviet Republic, consolidated its de-facto independence in the years thereafter⁷. The resulting political and economic division of the country has aggravated Moldova's complicated situation even more.

It was against this backdrop that the Party of Communists of the Republic of Moldova (PCRM)⁸ won the Moldovan parliamentary elections on 25 February 2001 by a large margin. Ten Years after the breakdown of the Soviet Empire a largely unreformed Communist Party has come to power in one of the former Soviet Republics. With slightly over 50 percent of the popular vote, the PCRM received 71 out of the 101 mandates in the Moldovan parliament. Thus, the Moldovan Communists have gained control of parliament, have been able to change the Constitution, have formed a government and elected their First Secretary as Head of State.

An examination of the implications of this development will be the main task of this paper. Are democracy and market reforms now in danger? Will Moldova go East? Will the Transnistrian conflict be resolved in the near future and what will happen to the Russian troops still stationed in this eastern Moldovan region? These are just some of the burning questions which have been raised since 25 February. Four months after the elections there may already be tentative answers to some. Before they can be tackled, however, it will be necessary to scrutinise the developments preceding the 2001 parliamentary elections, to briefly analyse the election campaign and the election itself and to look closely at the political decisions taken after 25 February.

⁷ For more background information on the Transnistrian conflict and the mediation efforts of the OSCE see, *inter alia*, Klemens Büscher, Möglichkeiten und Grenzen des OSZE-Konfliktmanagements in Moldova, in: Ethnos-Nation vol. 3 (1995), no. 2, pp. 71-85; Klemens Büscher, Separatismus in Transnistrien, in: Osteuropa 46 (1996), pp. 860-75; Klemens Büscher, The Missions to the Republic of Moldova and the Ukraine: A Double-Entry Balance Sheet, in: Institute for Peace Research and Security Policy at the University of Hamburg/IFSH (ed.), OSCE Yearbook 1999, Baden-Baden, pp. 195-210; Gottfried Hanne, Der Transnistrien-Konflikt: Ursachen, Entwicklungsbedingungen und Perspektiven einer Regulierung. Berichte des BIOST 42-1998. Stuart J Kaufman, Spiraling to Ethnic war. Elites, Masses and Moscow in Moldova's Civil War, in: International Security 21 (1996), 2, 108-38; Terrence P. Hopmann, The OSCE Role in Moldova and Ukraine, in: Studien und Berichte zur Sicherheitspolitik, 2000, no. 1, pp. 25-61; Stuart J Kaufman / Stephen R Bowers, Transnational Dimensions of the Transnistrian Conflict, in: Nationlites Papers vol. 26 (1998), no. 1, pp.129-146; Pål Kolstø / Andrei Malgin, The Transnistrian Republic: A Case of Politicized Regionalism, in: Nationalities Papers, 26 (1998), pp. 103-127; Pål Kolstø The Dniestr Conflict: Between Irredentism and Separatism, in: Europe-Asia-Studies 45 (1993), 6, pp. 973-1000; Claus Neukirch, Der Status Transnistriens aus politischer und völkerrechtlicher Sicht, Aktuelle Studien Nr. 3, Dezember 1998, Friedrich-Ebert-Stiftung Büro Kiew; Stefan Troebst, Internationale Vermittlungsbemühungen zwischen Moldova und der selbsternannten „Transnistrischen Moldavischen Republik“. Als KSZE-Diplomat beiderseits des Dnjestr, in: Berliner Osteuropa Info no. 5/95, pp. 18-22; Stefan Troebst, Kein spektakulärer Erfolg, aber Spannungen reduziert. Die OSZE in der Republik Moldova. Wissenschaft und Frieden vol. 15 (1996), no. 1, pp. 23-27; Stefan Troebst, Die OSZE in der Republik Moldova 1992-1996, in: Der Donauraum vol. 36 (1996), no. 3-4, pp. 53-62; Stefan Troebst, Der Transnistrienkonflikt und seine Bearbeitung durch die OSZE, in: Österreichisches Studienzentrum für Frieden und Konfliktlösung/ÖSFK et al. (eds.): Afrikanische Perspektiven: Theorie und Praxis ziviler Konfliktbearbeitung in Osteuropa, Ergebnisse der Internationalen State-of-Peace-Konferenz 1997/bearb. von Catherine Schiemann Rittri, Chur/Zürich 1998, pp. 347-379; Rolf Welberts, Der Einsatz der OSZE in der Republik Moldau, in: Institut für Friedensforschung und Sicherheitspolitik an der Universität Hamburg / IFSH (ed.), OSZE-Jahrbuch 1995, Baden-Baden, pp. 193-210. Consult also http://www.osce.org/moldova/background_information.

⁸ Partidul Comunistilor din Republica Moldova – PCRM.

2. The 2001 Parliamentary Elections

This is the third time elections of this kind have taken place in Moldova since the country declared independence on 27 August 1991. Like those in February 1994, these elections were early elections, leaving the parliamentary elections in March 1998 as the only ones that were regularly scheduled. In every parliament elected since 1990, parliamentary majorities have soon become minorities due to splits and re-shuffles, leading to frequent impasses and government crises. The Tarlev government elected on 19 April 2001 is the eighth government since Moldova declared independence and the fourth since 1998. The political instability reflected by these events was also responsible for the dissolution of the last Moldovan parliament in early 2001.

Already in the 1998 parliamentary elections, the Party of Communists had become the strongest force in the Moldovan parliament holding 30 percent of the popular vote and 40 out of the 101 seats. However, the Communists were sidelined by the non-communist factions, which formed a broad coalition called the Alliance for Democracy and Reforms (ADR)⁹. This coalition united:

- the Democratic Convention led by former President Mircea Snegur (Party of Rebirth and Conciliation – PRCM)¹⁰ including the pro-Romanian Christian Democratic Popular Front led by Iurie Rosca (19.42 percent – 26 seats),
- the Bloc for a Democratic and Prosperous Moldova led by Dumitru Diakov, at that time a close ally of President Petru Lucinschi (18.16 percent – 24 seats) and
- the Party of Democratic Forces (PFD)¹¹ led by Valeriu Matei (8.84 percent – 11 seats).

These parties divided the main posts in parliament and in the Ciubuc-II-government among themselves according to a 2-2-1 scheme, called the „algorithm“. Already in late 1998 the first signs of division became apparent within the Alliance for Democracy and Reforms and after Prime Minister Ion Ciubuc resigned in February 1999, it took the ADR several months to install Ion Sturza as the new Prime Minister. At that time, the Christian Democratic Popular Front – which had been renamed the Christian Democratic Popular Party (PPCD)¹² in 1999 – left the Democratic Convention and the ADR, leaving this coalition with the narrowest possible majority of 52 votes¹³. Shortly thereafter, President Lucinschi announced a plan to transform the mixed Moldovan parliamentary-presidential system into a presidential one. This idea was strongly opposed by most members of parliament and Parliamentary Speaker Diakov, whose party had strongly benefited from Lucinschi's support in the 1998 elections, distanced himself from the President. As a result, some parliamentarians still close to the President defected from the so-called Diakov-bloc, leaving the Sturza-government without a parliamentary majority. In late 1999, Sturza had to resign and a new government under Dumitru Braghici was formed with the support of the Communists, the Popular Front and the pro-Lucinschi independents.

The actual reason for the early elections in February 2001 was not due to a new government crisis, as one might have expected, but parliament's failure to elect a new president in December 2000. As a reaction to Lucinschi's attempt to transform Moldova into a presidential re-

⁹ Alianța pentru Democrație și Reforme – ADR.

¹⁰ Partidul Renasterii și Concilierii – PRCM.

¹¹ Partidul Forțelor Democratice – PFD.

¹² Partidul Popular Creștin Democrat – PPCD.

¹³ According to a Decision of the Moldovan Constitutional Court, the absolute majority required by the Constitution for the formation of a government is defined as 52 votes. See Claus Neukirch, *Judex non calculat?*, in: WGO-Monatshefte für Osteuropäisches Recht 41 (1999), 1, p. 22.

public, the Moldovan parliament voted on 5 July 2000 with an overwhelming majority to elect future presidents through a vote of parliament. Moreover, the powers of the president were reduced whereas those of the government and the parliament were strengthened. The corresponding changes to the Constitution and other related laws were supported by all the factions and deputies, except the independent deputies close to the president. In the following months, however, the parliamentary factions, which had experienced further splits and defections, were not able to agree on a common candidate for the presidency. Finally, the Communist leader Vladimir Voronin was nominated as candidate of his party, whereas the PFD, PRCM, PPCD and the Democratic Party (PDM)¹⁴ of Diakov supported the candidacy of the then Chairman of the Constitutional Court, Pavel Barbalat. Voronin managed to obtain 50 votes in the first and 59 votes in the second round, falling just two votes short of the required three-fifths majority of 61 votes. Another attempt to hold a repeat election on December 21 failed because the centre and centre-right parties refused to participate as they feared an increased number of deputies would defect and vote for Voronin. As a result, President Lucinschi, after having consulted with the Constitutional Court, announced that he would dissolve the parliament in accordance with article 78 (5) of the Moldovan Constitution. The corresponding presidential decree, setting the date for early elections on 25 February, became effective on 12 January.

Between 12 January and 26 January the Central Election Commission (CEC) registered 12 political parties, five electoral blocs, comprised of another 14 parties, as well as ten independent candidates. In total, out of the 31 parties registered with the Ministry of Justice, 26 participated in the elections with their own lists or as part of an electoral bloc. At least two others included their representatives on lists of other contestants without formally joining the respective party or bloc.

As the ten independent candidates had to surpass a 3 percent-threshold it had been regarded as highly unlikely, that any of them would gain seats in parliament. In fact, none of them even came close. The former PFD deputy Valeriu Ghiletschi managed best with 1.73 percent of the vote – three times as many votes as the remaining nine candidates put together, Ghiletschi actually obtained more votes than the party from which he defected (PFD: 1.22 percent). This would have been enough to earn him a seat in parliament, if independent candidates had not been required to reach a certain threshold. However, given the regulation in the Election Code, which foresees proportional elections in a nation-wide 101-member district, with a high threshold for the contestants, these votes have been lost. The 2001 elections, actually marked a new record in 'lost votes' due to the new 6 percent-threshold for parties and electoral blocs¹⁵. Altogether 28.33 percent of the voters opted for electoral contestants who failed to achieve the threshold set for them. Only three formations managed to enter the parliament:

- Vladimir Voronin's Party of Communists earned 71 mandates with 50.07 percent of the vote;
- the Braghis Alliance led by the then prime minister formed by several centre-left parties gained 13.36 percent and 19 mandates;
- the Christian-Democratic Popular Party of Iurie Rosca obtained 8.24 percent and 11 mandates.

The remaining parties of the 1998 government coalition, which remained together as a 'coalition in opposition' in 2000 were not popular among voters in 2001. Snegurs PRCM came quite close to joining the parliament with 5.79 percent, Diakov's Democratic Party obtained

¹⁴ Partidul Democrat din Moldova – PDM.

¹⁵ In 1994 and 1998 a 4%-threshold applied for all electoral contestants.

only 5.02 percent and Mateis PFD (1.22 percent) lost almost its entire electorate. Taken together the moderate right-wing political formations attained over a quarter of the votes. None of them, however, succeeded in entering parliament. Basically, the ADR experienced the same fate as the Agrarian Democratic Party (PDAM)¹⁶ in 1998: In the 1994 Elections the PDAM won 43.18 percent of the votes and 56 of the 104 seats, in 1998, however, it gained less than 4 percent of the vote and failed to re-enter parliament.

The Office for Democratic Institutions and Human Rights of the Organization for Security and Co-operation in Europe (OSCE/ODIHR) which had deployed an Election Observation Mission to Moldova has concluded that parliamentary elections on 25 February 2001 in the Republic of Moldova met international standards for democratic elections. Although OSCE/ODIHR did observe some shortcomings with regard to the accuracy of voter lists, the restrictive provisions of the media and the provisions on the status of contestants holding public offices, the overall tone of the OSCE/ODIHR Report is positive¹⁷. There can be no doubt that the victory of the Communists reflects the free will of the Moldovan people. This victory might have been even clearer, if the Transnistrian authorities would have allowed the opening of polling stations on the left bank of the river. However, because they regard the Republic of Moldova as a 'foreign country' they dismissed the request of the Moldovan authorities to open polling stations on Transnistrian-controlled territory. As in earlier elections, special polling stations were set up in Moldovan-controlled villages and Transnistrian residents were invited to come there to vote. Although the busses carrying Transnistrian voters were not prevented from crossing – which occurred in 1996 and 1998 – Transnistrian authorities discouraged participation in the elections through different means. As a result, only 4,265 of the roughly 400,000 Transnistrians entitled to vote participated in the parliamentary elections¹⁸.

Three months after the 2001 elections, seven of the moderate right-wing parties¹⁹, representing 20.5 percent of the electorate, signed an agreement to build a new alliance called the Democratic Forum²⁰. If it had been formed before the elections, this alliance would have been the second strongest force in Moldovan parliament. As a result of their inability to overcome personal differences and jealousies early enough, the Moldovan parliament is now dominated by an overwhelmingly strong Communist faction, which might even be back on some issues by the centre-left Braghis Alliance, which described itself as 'constructive opposition'. In contrast, the right-wing Christian Democratic Popular Party will be in fundamental opposition to the Communists. The PPCD which has a relatively stable electorate of seven to nine percent, however, runs on a populist pro-Romanian platform and, thus, should like the Communists be regarded as a 'anti-system party'. The absence of a strong but moderate right-wing opposition, will thus be felt.

One of the conclusions that has to be drawn from the recent elections is that the Moldovan voters have developed almost no party affiliation and are ready to vote any party or coalition

¹⁶ Partidul Democrat Agrar din Moldova – PDAM.

¹⁷ OSCE/ODIHR, Republic of Moldova – Parliamentary Elections, 25 February 2001. Final Report. Warsaw, 3 April 2001.

¹⁸ OSCE/ODIHR, Republic of Moldova – Parliamentary Elections, 25 February 2001. Final Report. Warsaw, 3 April 2001, p.11¹⁸.

¹⁹ PRCM (5.79%), PDM (5.02%), PFD (1.22%), National Peasants Christian Democratic Party (Partidul Național Țăranesc Crestin Democrat – PNȚCD, 1.74%), Social Democratic Party of Moldova (Partidul Social Democrat din Moldova – PSDM, 2.47%), National Liberal Party (Partidul Național Liberal – PNL, 2.81%), Social-Political Movement For Order and Justice (Miscarea Soical-Politică Pentru Ordine și Dreptate – MSPOD, 1.46%).

²⁰ Infotag 22.5.2001, Seven Political Parties Merge into Democratic Forum.










who have failed to live up their promises out of power. Certain cleavages (pro-Western against pro-Russian, Unionist against Moldovanist etc.) must nevertheless be considered. A pro-Romanian intellectual or small peasant can hardly be expected to vote for the Communists and Russian-speaking pensioners would not vote for the PPCD. Following up on one previous observation, the subsequent conclusion must be drawn: The unstable party system itself allows for frequent splits and re-shuffles which can turn big majorities (86:18 in 1994²¹ and 61:40 in 1998) into minorities in a matter of a couple of weeks. Thus, the Communists should be warned by recent history and might try to preserve their well-known discipline and live-up to their election campaign promises. This, will not be an easy task at all. Before the future prospects of Communist rule in Moldova can be discussed, however, some explanation for the unexpected high victory of the Communists and the crushing defeat of the centre-right camp must be explained. To start with, a short outline of the Moldovan party systems seems in order.

Generally speaking, most of the Moldovan political parties have their roots either in the former Communist Party of the Moldovan Soviet Socialist Republic, in the Popular Front or in the Unity (Edinstvo) movement, the latter two emerged in spring 1989.

The Popular Front of Moldova was created as opposition to the conservative Moldovan Communists and its original aim was to support Glasnost and Perestroika in this Soviet Republic. However, the Popular Front became increasingly occupied with its Moldovan agenda and demanded, for instance, that Romanian become the state language of the Republic. After the ousting of Ceausescu, unification with Romania also became a desirable option for the Front. At the beginning of the 1990s the Popular Front Movement split into different political formations. Continuous splits, coalition shuffles and changes of denominations make it difficult to trace the route of these formations between 1994 and 2001. However, most centre-right formations have their roots here – Snegur's PRCM and Diakov's PDM being the most important exceptions. In 1994, the main competitors on the right end of the political spectrum were the Popular Front and the Bloc of Peasants and Intellectuals. They received 7.53 percent and 9.21 percent respectively. Together with the smaller parties, the right-wing accounted for almost 25 percent of the total vote. In the 1995 local elections, which were boycotted by the Front, the more moderate Alliance for Democracy received 19.67 percent of the votes. In the 1998 parliamentary Elections, the Front formed a coalition with Snegur's Party for Rebirth and Conciliation. This coalition gained 19.42 percent of the popular vote and 26 seats – nine of them belonged to the Front. Other offspring of Popular Front Movement who ran in 1998 were the Party of Democratic Forces, winning 8.84 percent of the vote and 11 mandates, and the Alliance of Democratic Forces which gained 2.24 percent. In 2001 the PPCD, the PFD and the PNL could be regarded as the main offspring of the Popular Front Movement, although some of their former leading members have now joined other parties. Parties with strong roots in the Popular Front Movement accounted for almost 15 percent of the total in the 2001 Elections, other centre-right parties with different roots gained another 10 percent. In 1998 rightist parties, including Snegur's PRCM, obtained around 30 percent of the vote. Thus, there seemed to be a pretty stable 25-30 percent strong centre-right electorate, which, however, has not developed a strong party affiliation. Due to the vote split and high threshold, the loss of mandates – from 37 to 11 – was much more dramatic for the right-wing parties than the loss of votes.

²¹ Although it had a majority on his own, the PDAM formed a de-facto coalition with the left-wing Socialist-Unity Bloc in 1994.

Table 1: Main Political Parties and Electoral Blocs in the Republic of Moldova 1994–2001

Sym- bol	Name of the Party or Bloc	Election Results	Party Chairman	Roots
	Party of Communists (Partidul Comunistilor din Republic Moldova – PCRM)	1994: - 1998: 30.01% 2001: 50.07%	Vladimir Voronin	Communist Party of Moldova (Partidul Communist din Moldova – PCM)
	Agrarian Democratic Party of Moldova (Partidul Agrar Democrat din Moldova – PDAM)	1994: 43.18% 1998: 3.63% 2001: 1.16%	Anatol Popusoi	PCM
	Party of Rebirth and Conciliation (Partidul Renasterii si Concilierii – PRCM)	1994: - 1998: 19.42% ²² 2001: 5.79%	Mircea Snegur	PCM / PDAM
	Democratic Party (Partidul Democrat din Moldova– PDM)	1994: - 1998: 18.16% ²³ 2001: 5.02%	Dumitru Diakov	PCM / PDAM / Democratic and Prosperous Moldova
	Alliance for Braghis (Alianta Braghis)	1994: - 1998: - ²⁴ 2001: 13.36%	Dumitru Braghis	PCM / PDAM / Democratic and Prosperous Moldova
	Unity (Edinstvo)	1994: 22.00% ²⁵ 1998: 1.83% ²⁶ 2001: 0.46%	Valentin Krilov	Edinstvo Movement / Socialist Unity Bloc
	Christian Democratic Popular Party (Partidul Popular Crestin Democrat – PPCD)	1994: 7.53% ²⁷ 1998: ²⁸ 2001: 8.24%	Iurie Rosca	Popular Front
	Party of Democratic Forces (Partidul Fortelor Democratice – PFD)	1994: 9.21 ²⁹ 1998: 8.84% 2001: 1.22%	Valeriu Matei	Popular Front / Bloc of Peasants and Intellectuals
	National Liberal Party (Partidul National Liberal – PNL)	1994: ³⁰ 1998: 2.24% ³¹ 2001: 2.81%	Mircea Rusu	Popular Front / Bloc of Peasants and Intellectuals

²² As Democratic Convention together with the Popular Front and several other smaller right wing parties.

²³ As Electoral Bloc For a Democratic and Prosperous Moldova together with smaller centre-left parties.

²⁴ Parties who entered the Braghis Alliance in 2001 received a total of 3.88% in 1998.

²⁵ As Socialist Unity Electoral Bloc.

²⁶ As Socialist Unity Electoral Bloc.

²⁷ As Alliance of the Popular Front.

²⁸ Received nine mandates as part of the Democratic Convention.

²⁹ Part of the Bloc of Peasants and Intellectuals.

³⁰ Part of the Bloc of Peasants and Intellectuals.

The Edinstvo movement has to be seen as a direct response by parts of the Russian-speaking population to the platform of the Popular Front in 1989. From the very beginning, Edinstvo fought against unification with Romania, was even wary of closer integration and stood for preserving Moldova's relationship with the Soviet Union and the status of Russian as the second state language. In the absence of the Communist Party the Socialist Unity electoral bloc formed by Edinstvo and the Socialist Party received 22 percent of the votes in 1994. After the re-establishment of the Communist Party in 1995, the Socialists and the Edinstvo movement lost support continuously among the electorate. Former leaders of this movement are now members of the parties forming the Edinstvo electoral bloc, the Braghis Alliance and the Party of Communists. In 2001, the Edinstvo electoral bloc gained only 0.46 percent. Although precise studies do not exist, it is fair to argue that the majority of those people who voted for Socialist Unity in 1994 opted for the Communists in 1998 and 2001.

The Party of Communists was established in 1995 and most closely resembles the Communist Party of Moldova (PCM)³², which was banned after the Moscow putsch in 1991. The Agrarian Democratic Party, is another offspring of the PCM and was structured mainly by the younger Moldovan party nomenclature of the agrarian industrial complex which supported the bid for sovereignty and independence. It dominated Moldovan Politics between 1994 and 1996 as a centre-left party. After the centre-right Party for Rebirth and Conciliation led by Mircea Snegur and the centre-left Bloc for a Democratic and Prosperous Moldova originally inspired by Lucinschi and now led by Dumitru Diakov had broken off from the PDAM, the rump-Agrarians moved further to the left and joined the Communists to form a coalition in the 1999 local elections. The Diakov bloc itself experienced some divisions in 1999 and transformed itself into a centre-right pro-market force. Whereas Snegur's PRCM is stronger among Romanian speakers, the Democratic Party still appeals to Romanian and Russian speakers alike. The Braghis Alliance which was founded just prior to the 2001 elections also has former Communist Party and Komsomol activists in its ranks. It is more a centre-left than a centrist force, filling the gap left by the Democratic Party. It not only has some convictions in common with the Communists, but also shares a part of the electorate. Both formations have a multi-ethnic electorate. However, the Communists polled stronger among Russian speakers, whereas the Braghis Alliance seemed to do better among Romanian speakers. In 2001 the Braghis Alliance (13.36 percent) was not able to get as strong as the Diakov bloc in 1998 (18.21 percent). It seems the reason for this is twofold. First, although moving to the right, the Democratic Party, which itself gained 5 percent in 2001, was certainly able to hold on to some of its 1998 voters. Second, whereas closeness to President Lucinschi was an asset in 1998, it was a burden in 2001. According to an opinion poll published shortly before the elections 84 percent of the population had trusted Lucinschi little or only very little³³.

During the election campaign, the Braghis Alliance was seen more as the party of the president than that of the prime minister by most of the other contestants. Consequently, it was attacked by the parties of two other potential contestants for the presidency. Both Voronin's PCRM and Snegur's PRCM included this issue in their campaign by posing the question 'Voronin or Lucinschi' and respectively 'Snegur or Lucinschi'. Another formation especially critical of the Braghis Alliance was the Democratic Party. Regarding itself as a centre force like the Alliance, the PDM competed partly for the same voters, especially in the countryside. Moreover, the party of former Prime Minister Sturza questioned the alleged successes of the Braghis government. Only the parties of the former Alliance for Democracy and Reforms –

³¹ Part of the Alliance of Democratic Forces.

³² Partidul Communist din Moldova – PCM.

³³ CSOP – Centrul pentru Studiarea Opiniei și Piete, Barometrul de opinie publică, Republica Moldova, ianuarie 2001.

PDM, PRCM and PFD – did not attack one another. They concentrated their negative campaign against the forces which replaced the Sturza-government with the Braghis government: Voronin (PCRM), Lucinschi (Braghis) and Rosca (PPCD). These parliamentary and former government parties on the centre-right were attacked not only by the Communists and the Braghis Alliance, but also by the extra-parliamentary National Liberal Party and other centre-right formations not represented in the former parliament.

Overall the election campaign was characterised by aggressive negative campaigning, directed in most cases at the political formations competing for the same voters. This was especially devastating for the centre-right parties, while the Communists, strong force on the left, were able to consolidate their electorate. To a certain extent, the PPCD, was able to do the same on the right end of the political spectrum. It was, however, not able to gain many more votes from centre-right voters than in 1994 and 1998. The Braghis Alliance, finally, attracted less centre-left voters than one might have expected. The moderate successes of the Braghis government were not sufficient to convince voters to abandon the idea of entrusting the Communist Party with ruling the country. The Communists had conducted a low-key but effective door-to-door campaign and had used Soviet nostalgia and populist promises as was the case in 1998. This time, however, they did not just gain the confidence of the voters who had defected from the Socialist Unity bloc or who had lost trust in the Agrarians. In 2001, their electorate was filled up by disappointed voters of Lucinschi and the Diakov bloc and probably even some industrial or agricultural workers who had voted for the Snegur before. There is a stable left wing electorate of 20 - 30 percent in Moldova anyway, but the decisive factors playing into the hands of the Communists in 2001 were the appalling state of the Moldovan economy and the incapability of previous governments to conduct effective reforms³⁴.

3. The Aftermath of the Elections: A Communist President and a Technocrat Government

After some days of confusion, provoked by the unexpected height of their victory, the Communists put everything on track for a fast and smooth change of power. On 3 March, the PCRM leader, Vladimir Voronin, announced his candidacy for the presidency and the same day, the president designate stated that he would form a technocrat government under a non-Communist prime minister³⁵.

First of all, however, the leadership posts in the parliament had to be divided up among the various parties. On 20 March, Eugenia Ostapciuc (PCRM) was elected Speaker of Parliament, while Vadim Mishin (PCRM) and Mihai Camerzan (Braghis Alliance) were elected her deputies³⁶. By electing Eugenia Ostapciuc Speaker and Vadim Mishin only as her deputy, the Communists have at least indirectly conceded that one has to speak fluent Moldovan today in order to be elected to the highest offices. The chairmanships in the ten standing committees were divided up according to the strength of each faction, resulting in the domination of the Communists: The PCRM will head seven committees, the Braghis Alliance two and the PPCD one. Thus, formally all posts in the parliament and in the parliamentary delegations to other bodies have been distributed legitimately. However, by electing Mihai Camerzan as

³⁴ For more explanations see also Leonid Cernei, Republik Moldova: Die Wahlen sind vorbei, aber Wahlen gibt es immer wieder, in: Rissener Rundbrief 4-5/2001, pp.35-40.

³⁵ Basa-Press 03.03.2001, Communists Decide to Name Voronin as Candidate to Presidency, Vladimir Voronin Says He Wants a Non-Communist Premier and a Technocrat Government.

³⁶ Basa-Press 20.03.2001, Vadim Misin and Mihail Camerzan are Elected Deputy Speakers.

second deputy without the consent of his faction, the Communists also made clear that they set the rules in this new parliament³⁷.

On 4 April 2001 the next step in the Communist resumption of power followed. Vladimir Voronin was elected President of the Republic of Moldova. Voronin was given, as expected, 71 votes while former Prime-Minister Dumitru Braghis was given the support of only 15 deputies. To make sure, that these elections were in conformity with the idea of 'democratic choice', even if Braghis had withdrawn at the last minute, the Communists would have proposed a second candidate, Valerian Cristea. Cristea was backed by three deputies, who most probably came from the Braghis Alliances as the PPCD had decided not to take part in the presidential elections³⁸.

Although the constitutional reform of 5 July 2000 had reduced the powers of the president in some areas, it was not as radical as one might have expected while observing the discussions prior to the parliamentary decision³⁹. Only the right to attend government sessions, to consult with the government on issues of special importance and to appoint two judges to constitutional court were taken away from the presidency. The stipulations regarding the nomination of the government were not changed in substance, but only transferred from the section on the presidency to the section on the government. Thus, it is still the president who, after consultations with the parliamentary factions, appoints the prime minister, who then has to seek a vote of confidence for his ministers and his programme in the parliament. Laws must also still to be promulgated by the president, who has the right to send them back to the parliament for reconsideration. He is also entitled to issue decrees. Thus, the position of the Moldovan president is still quite strong, all the more so, as the newly elected head of state is at the same time the leader of the party that holds the majority in the parliament. Whereas Lucinschi was backed by only five deputies in his last year of office, Voronin can count on a 71-strong Communist faction. Moreover, Voronin was re-elected Party Chairman of the PCRM on 22 April⁴⁰. In leading his party and the PCRM faction, Voronin will be supported by Victor Stepaniuk who was elected leader of the Communist faction and Secretary of the Political Executive Committee⁴¹. Considering that all major decisions within the PCRM are taken by the Central Committee, Voronin, with the support of Stepaniuk, might very well be able to order 'his' faction via the Central Committee on how to vote. Given the fact that the post of parliamentary speaker was given to a relative weak 'compromise candidate' instead to one of the strong figures within the Communist faction, Voronin might control parliament in a way neither Snegur nor Lucinschi could have ever dreamed of. Thus, less than a year after the introduction of a 'parliamentary' system, the new president has emerged as the most powerful political player in Moldova. Voronin's strong position was indirectly confirmed by (then nominated) Prime-Minister Tarlev, who stated that the list of ministers had to be agreed upon with the president⁴². The Moldovan Constitution does not foresee anything like this, however, it also does not rule it out.

Voronin designated a 37 year old factory manager, Vasile Tarlev as Prime Minister on 11 April. On 19 April, the parliament approved his cabinet and his programme. As Voronin

³⁷ Infotag 22.03.2001, Deputy Speaker Camerzan Not Expelled from His Faction.

³⁸ Reuters 04.04.2001, Communists Elected New Moldovan President; Basa-Press 04.04.2001: Communists Elected New Moldovan President.

³⁹ See Claus Neukirch, *Moldau: Eine Zwischenbilanz zur Umgestaltung des moldauischen Regierungssystems*, in: WGO- Monatshefte für Osteuropäisches Recht 42 (2000), 4, [forthcoming].

⁴⁰ Infotag 24.04.2001, Moldova's Communists Leadership Believes in Perspectives of Communism.

⁴¹ Infotag 24.04.2001, President Voronin Re-elected as Moldovan Communist Party Chief.

⁴² Infotag 16.04.2001, Tarlev Going to Propose New People to Government.

pointed out right after the elections, the change of power in Moldova has not been as fundamental as the election results of 25 February might have indicated.

One has to remember that the Braghis government was formed in December 1999 with the support of the Communist votes and, thus, already included three Communist ministers. Moreover, the quite unexpected change in the Foreign Ministry from Nicolae Tabacaru to Nicolae Cernomaz in autumn 2000 was most probably Voronin's initiative. Not surprisingly, Cernomaz kept the post of Foreign Minister in the Tarlev government. In addition to his re-appointed, the Ministers of Finance, (Mihai Manoli), Economics (Andrei Cucu, also Deputy Prime Minister), Education (Ilie Vancea) and Energy (Ion Lesanu) as well as the one of Labour and Social Protection (Valerian Revenco) were re-appointed. The Minister of Defence (Victor Gaiciuc) is also no new face – he served as deputy minister under his predecessor Boris Garumai. Out of those mentioned only Vancea is a member of the PCRM. He is joined in the new government by only two of his party comrades: the Deputy Prime Ministers Valerian Cristea and Dumitru Todoroglo – the latter being also responsible for Agriculture and Food Processing Industry. The remaining Ministers are either non-party affiliated⁴³ or are even members of the 'constructive opposition': Justice Minister Ion Morei heads the Centrist Union of Moldova and was elected to parliament on the list of the Braghis Alliance. The Minister of the Environment, Gheorghe Duca, ran on the same list. Like Cernomaz, both have been close allies of Lucinschi in the last years. The new Minister of the Interior, Vasile Draganel, was Chief of Lucinschi's Presidential Security Service before. As for the Prime Minister himself, he was said to have been considered for this post by then President Lucinschi in February 1999⁴⁴. Thus, judged by its personalities the Tarlev-government can hardly be described as 'new' or 'Communist'. It contains elements of continuity and includes only three Communists, albeit in important positions. Thus, the Tarlev government can be labelled as 'Communist-controlled'.

This continuity, should not catch anyone by surprise. Recently, Paul Goble, argued that people would understand why many members of former nomenclature structures have continued in power far better, albeit without the ideological verbiage of communism, if they considered Milovan Djilas theory on the 'new class'. Goble states that in Djilas's study published back in 1957, he argued, 'that the communist regimes had degenerated from an ideologically committed elite into a group of greedy individuals concerned only about their own privileges and status'⁴⁵. Members of this 'new class' were not burdened with ideological '*ballast*' and, thus, were able to readjust to the new environment of the early 1990s. This is exactly what happened to Moldova, which experienced the rule of former CC-PCM Secretary Mircea Snegur (1991 - 1996) and former member of the CPSU Politburo member Petru Lucinschi (1996 - 2001). Also most of the other politicians who filled high posts in Moldova after independence had gained sufficient experience in the MSSR's Komsomol and party structure before. Thus, with the exception of the Popular Front governments of 1991/92, the Republic of Moldova has been basically ruled by 'New Class Communists', who have only changed their labels and symbols. For most of these functionaries 'fruitful collaboration' with the Communists Party, – which still uses the old label and much of the old ideological slogans – poses no problem at all.

As far as the Communists are concerned, they had good reason to include non-communists experts into the government. First of all, the PCRM has so far not been regarded as a reservoir

⁴³ In addition to those mentioned above, this held true for the Ministers of Culture (Ion Păcuraru), Transport and Communication (Victor Popa), Industry (Mihail Garstea) and Health (Andrei Gherman).

⁴⁴ Infotag 11.04.2001, Premier-Designate is Trustworthy, Says Voronin.

⁴⁵ Paul Goble, The Legacy of Milovan Djilas, in: RFE/RL Balkan Report Vol. 5, No. 30, 24.04. 2001.

of well-qualified and highly educated experts. The Communists were required to fill 71 seats in parliament, including more than ten leading posts which required a certain amount of expertise. At the end of the day, they simply ran out of able candidates for government posts. Secondly, the inclusion of non-Communist experts, especially in the fields of economics and finance, was necessary in order to soften the reaction of Western countries and international financial institutions after the Communist victory. Finally, having all the power in their hands but still only limited remedies to overcome the socio-economic crises, the Communists also have kept open a strategic option. They may be able to use the non-Communist, technocratic Tarlev government as scape-goat if things do not take a turn for the better in the near future.

Thus, the inclusion of former government members and close allies of Lucinschi in the Tarlev government served the interests of the PCRM leadership as well as those of the people appointed to the government. However, it is not the label that is important, but the content. The question is, what kind of policy can be expected? What will its impact be on democracy and market reforms in Moldova and on the Transdniestrian conflict? And which direction will Moldova take? Contradictory statements and an unclear policy concept make it hard for political observers to forecast the future activities of the new leadership and the fact that the official website of the Moldovan government still features the Braghis government programme from December 1999⁴⁶ does not make this task any easier.

4. Democracy and Market Reforms under Communist Rule

Judged after their first two months in office, President Voronin and his Tarlev-government do not seem to be endangering democracy and market reform in Moldova. The state of democracy in Moldova might be affected most by the domination of the parliament by an overwhelmingly strong Communist faction, which is directed mainly by its party and not by its voters. This should, however, not affect the political system in Moldova in the long run. What might affect the country more, is the not so unexpected fact that the new leadership has done next to nothing to speed up reforms in the country.

After the parliamentary elections, major changes were expected most of all in economic and social policy and also in the field of inter-ethnic relations. Giving the Russian language the status of a second state language and offering courses entitled the 'Moldovan Language' and 'Moldovan History' in schools and universities were some of the campaign promises of the Communists directed especially towards the non-Moldovan voters. Language politics have been a sensitive issue in Moldova since the late 80s and some of the plans raised by the Communists in this field⁴⁷ might provoke new conflicts within Moldovan society. In March and April 1995 Chisinau experienced several weeks of wide-spread student protests after the government had announced plans to change the names of the courses entitled the 'History of the Romanians' and the 'Romanian language' to 'Moldovan History' and the 'Moldovan Language'. As a matter of fact, article 13 of the Constitution defines the state language explicitly as 'Moldovan', but in the early 1990s the term 'Romanian' was widely used – especially in education. Thus, severe resistance from students and teachers as well as from the staff of the Education Ministry might occur, if these questions are put on the agenda again⁴⁸. As a matter of fact, initial protests were already staged after President Voronin had instructed

⁴⁶ <http://www.moldova.md/ro/government/index.html> as of June 25, 2001.

⁴⁷ Basa-Press 31.03.2001, Vladimir Dragomir: We Must Respect Constitution on Linguistic Issue.

⁴⁸ Infotag 13.04.2001, Ministry Against Russian Language Exams.

the government to prepare new manuals on the 'History of Moldova' as a replacement for the currently used manuals entitled a 'History of Romanians'⁴⁹.

As far as the question of Russian as a second state language is concerned, the Communists have indicated that they will hold a referendum on this issue. If the Communists do implement a referendum, they would most probably stir up another public debate on language issues – this might even be positive if the discussions are then conducted in a calm and constructive manner. Nevertheless, it is highly questionable if a referendum would succeed. Putting these delicate issues to a referendum might just be a clever way for the Communists to avoid implementing a critical part of their electoral programme. Instead of declaring Russian the second state language, the Communists will be seen as raising the overall status of the Russian language. Russian already has a legal basis as a language of inter-ethnic communication, which makes it an official language. The new Law on Acts of Civil Status, for example, stipulates that documents, *inter alia*, birth, marriage, and death certificates be drawn up in the state and in the Russian languages⁵⁰. Russian will probably be used more and more frequently in official documents and official communication. At the same time, high-ranking Communists have made it clear that they expect the Russian-speaking population to learn the state language and thus, to establish symmetric Russian/Moldovan bilingualism in the country. The new government can be sure that international organisations like the OSCE and UNDP will support this goal which can be reached only through long-term programmes first aimed at effective Moldovan and Russian lessons in school and on special Moldovan courses for the adult population. This kind of policy might still provoke some opposition from pro-Romanian as well as pro-Russian extremists, but it would most probably find the support of the majority of the population which is much more pragmatic on language issues. Thus, this kind of development would actually foster inter-ethnic peace in the country and would help to safeguard the rights of minorities.

The most pressing questions for Moldova and its international partners are, however, less connected to the country's record in human rights and democracy – which, judged by the standards within the Commonwealth of Independent States (CIS), is quite positive – but directed more towards economic problems. In its electoral platform the Communist Party declared that it would strive for equality of rights for all forms of property. After the elections, the principle of respect for private property was reiterated numerous times. On the other hand, the PCRM, *inter alia*, emphasized the significance of the state property in economic branches of strategic importance and called for the protection of local producers as well as price controls on several products, including energy⁵¹. The privatisation of the wine and tobacco industry, envisaged by the Braghis government in October 2000, failed also because of the reluctance of the PCRM to go ahead with it. Although Prime Minister Tarlev announced that the privatisation of these enterprises would occur 'soon'⁵² no concrete steps have been taken in this regard. It, thus, seems that the forces within the PCRM that oppose the privatisation of wine and tobacco industry are stronger than the Prime Minister. Moreover, the Communist faction voted in early May to increase compensation for war veterans by 60 million lei, although this amount was not included in the 2001 budget and although some holes in the budget already exist. The 2001 budget is already suffering from a 1.5 billion lei shortage: The delay in the privatisation of the electricity distribution networks RED North and RED North-West created a 151 million lei gap, while the decisions to increase the credit to the Individual

⁴⁹ Basa-Press 08.06.2001, Communists Announce Plan to Write new History Book for Moldova.

⁵⁰ Infotag 26.04.2001, Acts of Civil Status Shall be Necessarily Drawn up in Two Languages.

⁵¹ Infotag 07.04.2001, Voronin Announces Intention to Raise Role of State.

⁵² Basa-economic 03.05.2001, Premier Tarlev: Privatisation of Wine and Tobacco Enterprises to Start in "Nearest Future".

Farms Fund by 60 million lei, the 20 percent increase in wages by March 1, and the 10 percent increase in pensions by July 1 raised expenses by 430 million lei. Finally, the European Union and the World Bank suspended the repayment of debts totalling 36.6 million US-Dollar⁵³.

The failure to conclude the privatisation processes in the energy, telecom, wine and tobacco industries cannot be blamed entirely on the Tarlev government. However, in the past, it has always been the Communists who have opposed these privatisation projects and they did nothing to speed them up after the February elections. The future of agricultural reform is also a big question mark in Moldova. The Communists have opposed the privatisation process in the agricultural sector in the past years and continued their criticism after the elections. Vladimir Voronin had qualified the 'Pamânt' ('Land') privatisation programme implemented with the support of the US government as 'destructive'⁵⁴ and Parliamentary Speaker Eugenia Ostapciuc hinted in a recent speech that her party intends to revise the agrarian reform course and to introduce some corrections at the reform's post-privatisation stage⁵⁵. By appointing a declared opponent of 'Pamânt' Dumitru Todorolgo, as Minister of Agriculture⁵⁶ the above-mentioned question mark has become even more inflated.

Thus, although Voronin and other leading Communists have declared their willingness to continue key economic reforms, to re-vitalise the production process, to fight corruption and to fulfil international commitments⁵⁷, doubts within the International Monetary Fund (IMF) that Moldova will stay on course have emerged. The slow-down of the privatisation process, the increase in spending as well as plans to introduce price controls finally caused the IMF to suspend its financial assistance to Moldova⁵⁸. As a result, Moldova will, for now, not receive the third portion of the 142 million dollar loan, approved on December 21, 2000⁵⁹ under the Poverty Reduction and Growth Facility (PRGF) programme. The IMF made it plain that financial assistance would only be resumed if the country sticks closely to the memorandum signed between the IMF and the Braghis government in November 2000. According to the IMF the programme of the new government contains provisions that may be inconsistent with this memorandum⁶⁰, and a final decision whether or not to continue giving credits to Moldova will only be taken after some clarity has been reached on the concrete policy of the new administration. According to the IMF, the Moldovans should consult with them on future increases in budgetary expenses in advance⁶¹. Moreover, the IMF objects to the government's intention to impose controls over prices on some primary commodities and to introduce new trade restrictions aimed at protecting local consumers. It also disapproved of the introduction of state orders for agricultural products and the plan to issue preferential credits to agricultural enterprises. The IMF also indicated the need to appoint an advisory bank for privatising the national telephone operator Moldtelecom as soon as possible. This bank should not just pro-

⁵³ Chisinau Observer 17.05.2001, Economics - IMF Upset at Communists' Plans by Liudmila Zlotnikova.

⁵⁴ AP Flux 24.04.2001, Vladimir Voronin: "Certain Political Forces Want to Transform the Federal Republic of Moldova into a Romanian Province".

⁵⁵ Infotag 02.04.2001, Communists Intend to Revise Some Essential Laws...

⁵⁶ See Basa-general 31.03.2001, Dmitri Todoroglo: Serious Violations Were Committed in Land Program "Pamant", Interview with Communist Deputy Dmitri Todoroglo, Chairman of the Parliamentary Commission for Agriculture and Processing Industry.

⁵⁷ Infotag 19.03.2001, World Bank Hopes for Partnership Continuation; Basa-general 31.03.2001, Nikolai Bondarchiuk: We Shall Coordinate Fiscal Policies with Buisnessmen.

⁵⁸ Itar-Tass via COMTEX 14.052001, IMF Suspends Financial Assistance to Moldova.

⁵⁹ See <http://www.imf.org/external/pubs/ft/aa/aa.pdf> as of 25 June 2001.

⁶⁰ Basa-economic 11.05.2001, Relations of Moldova with IMF are at a Critical Juncture, Considers IMF Representative in Chisinau.

⁶¹ Moldpres 11.05.01, IMF Requests to be Consulted by Chisinau Cabinet for Adoption of Decisions on Rise in Budgetary Expenses.

vide consulting services, but act in an advisory capacity that would be acceptable to the World Bank. The IMF also emphasized the need to continue the privatisation of the wine and tobacco sectors, which is contrary to the government's intention to create state-run monopolies out of the wineries and tobacco fermentation factories in question. The IMF has made clear that privatisation of the two electricity distribution networks RED North and RED North West should be conducted in a competitive, transparent manner – and for cash. Moreover the IMF has made demands that a package of laws be submitted to parliament on pre-shipment inspection, on section 5 of the Tax Code 'Tax Administering', on free economic zones as well as amendments to the law on financial institutions⁶².

These IMF requirements seriously challenge certain PCRM views on the social and economic sector. As will be argued below, they can hardly be dismissed. The country desperately needs the IMF support in order to stabilise its currency and restructure its debts. In April, Moldova's foreign debt increased by 2.9 million US-Dollar⁶³, reaching 779 million US-Dollar. Additionally the country owes 827 million US-Dollar to Gazprom for gas deliveries. Moldova's domestic debt remains at 150 million US-Dollar⁶⁴. Servicing the foreign debts alone will take up to 81.3 million US-Dollar or 37 percent of the budget revenues this year and in 2002 another 178 million US-Dollar will have to be paid back, an amount equal to half of the budget⁶⁵. In addition to the final suspension of IMF loans, other foreign crediting agencies may also suspend their loans so that by the end of the year Moldova may end up receiving no foreign funding at all⁶⁶. In this case the Moldovan budget would have to be cut back drastically and it would be even more difficult to find the money to finance pension increases, salaries and compensation or to spend more money on health and education as the Communists had promised before the elections. Moreover, an agreement with the IMF will be a condition for an agreement with the Club of Paris on the restructuring of debts, something the country desperately needs as it will hardly be able to spend 50 percent of its budget revenues on debt servicing next year. Thus, the Moldovan government does not have much choice. It either accepts the rules of the game made by the lenders and restructures its debts or declares a default.⁶⁷ Accepting the rules, however, means that the Communists have to distance themselves from their electoral platform and that the government has to rewrite its activity programme. In other words, although the Communists have formally all the power in their hands in Moldova, they will not be able to conduct 'their policy' as they originally wished. The burden of finding a solution to this dilemma is primarily on President Voronin who used to talk quite differently to foreign and Moldovan audiences in the past weeks. Now that the IMF has called the bluff, Voronin will have to make decisions. This pressure went up even further after the Fitch international rating agency reacted to the IMF decision by downgrading the long-term foreign currency rating of the country from B- to CCC+⁶⁸. This decision will make it even harder for Moldova to receive much needed foreign capital.

Although President Voronin voiced harsh critique of the IMF and the World Bank and even asked them to cover a part of the Moldovan foreign debt⁶⁹, the Moldovan leadership seems to have understood the message. In the weeks following the IMF decision, a commission for the privatisation of the wine and tobacco enterprises was established, the electricity distribu-

⁶² Chisinau Observer 17.05.2001, Economics - IMF Upset at Communists' Plans by Liudmila Zlotnikova.

⁶³ Basa-economic 01.06.2001, Moldova's Foreign Debt up by 2.9 Million Dollars in April.

⁶⁴ Reuters 24.05.2001, IMF Urges Moldova Leadership to Take Action on Debt, by Dmitry Chubashenko.

⁶⁵ Basa-economic 30.05.2001, Moldova Must Urgently Resume Talks with International Lenders.

⁶⁶ Basa-economic 11.05.200, Relations of Moldova with IMF are at a Critical Juncture, Considers IMF Representative in Chisinau.

⁶⁷ Basa-economic, 29.05.2001, Moldova Will Have to Choose between Lenders' Game Rules and Default.

⁶⁸ Basa-economic 18.06.2001, Chisinau Challenges International Lenders.

⁶⁹ Infotag 11.06.2001, Voronin Says IMF and WB Should Assume Responsibility for Situation in Moldova.

tion networks of northern Moldova were again put up for auction towards privatisation⁷⁰ and the Austrian Raiffeisen Investment bank was chosen as a consultant to deal with the privatisation of Moldtelecom⁷¹.

Given Moldova's recent admittance to the World Trade Organization (WTO)⁷² not everything is actually doomed to failure in Moldova. The ratification of WTO membership in the Moldovan parliament was a difficult task, but Voronin succeeded in calling his comrades to order. The fact that Moldova joined the WTO without delay even after the Communist victory was a positive sign. WTO membership will further restrict the government's ability to introduce trade regulations and, thus, will give additional incentives to comply with IMF rules. Not following the strict course the IMF has taken, the World Bank, has confirmed its intention to continue co-operation with Moldova and has just recently allocated 30 million US-Dollar for the 'Rural Investment and Services Project' (RISP)⁷³. Further projects are in the pipeline. They include a project in the energy sector for the rehabilitation of the infrastructure of the power system and for improvements in heat supply and consumption, a 'Market Access and Rural Services (MARS) Project'. The European Commission was also more moderate with the new government than the IMF and promised a 3.2 million US-Dollar grant for the development of small and medium-size businesses⁷⁴. Financing for infrastructure programs which have a regional impact might also come from the Stability Pact, which the country became a part of on 28 June 2001⁷⁵.

Thus, the message from Western states and organisations was quite obvious in the past weeks. Co-operate and play according to our rules, than we might help you. Otherwise stick to your ideas and declare a default. The United States is also playing to this tune. During his visit to the US, Moldovan Foreign Minister Cernomaz was told by USAID that further technical assistance were conditional upon the continuation of socio-economic reforms, while the US Treasury agreed to assist Moldova in restructuring its foreign debt by delegating an expert who is to help the Moldovan government to work out a strategy for resolving the debt problem – on the condition that Moldova comes to an agreement with the IMF⁷⁶.

Given the poor state of the Moldovan economy after ten years of half-hearted reforms – which were almost stopped altogether after 1995 – and growing corruption, Voronin and his Communist Party seem to have little choice. Default and international isolation may lead directly to a 'Bulgarian scenario'. The more so as the Popular Front and the extra-parliamentary opposition of the moderate right are already waiting for the chance to combine social protests with national slogans in order to bring the Communists down. On the other hand, the Communists may disappoint their own electorate if they abandon their electoral promises – a course Moldovan voters sanctioned quite severely in the last elections. One possible way out for Voronin would be to adhere to the rules set by the lenders, but at the same time put all the blame on them. The recent combination of events in words and deeds indicates such a strategy would be shrewd and Voronin might be pragmatic enough to pursue this policy and strong enough to keep his own party in check. Thus, the chances that reforms will continue in Moldova have decreased less than one might have expected at first glance after February 25.

⁷⁰ Infotag 19.06.2001, Northern Electricity Distribution Enterprises Put Up for Privatization Auction again.

⁷¹ Infotag 21.06.2001, Raiffeisen Investment Bank to Consult Government in Privatizing Moldtelecom.

⁷² Infotag 10.05.2001, Accession to WTO to Catalyze Economic Reforms in Moldova, Premier Says.

⁷³ Infotag 05.05.2001, World Bank to Allocate \$30 Million for Rural Investment and Services Project.

⁷⁴ Infotag 10.05.2001, Moldova to Receive \$3.2 Million Grant.

⁷⁵ Basa-Press 29.06.2001, Republica Moldova a devenit membru cu drepturi depline a Pactului de Stabilitate pentru Europa de Sud-Est.

⁷⁶ Infotag 20.06.2001, U.S.A. to Help Moldova Restructure its Foreign Debts.

5. Foreign Policy

One of the main questions raised by Western and Moldovan observers after 25 February, dealt with the future foreign orientation of the republic. The influential German newspaper 'Frankfurter Allgemeine Zeitung' even stated that Moldova would break off relations entirely with the West, including Romania, and would develop closer ties to the Russian Federation instead⁷⁷. Such fears seem to be exaggerated although certain shifts in Moldova's orientations can hardly be denied after parliament and presidency have fallen into the hands of the pro-Russian Communist Party.

The single most important player in Moldovan foreign policy is the head of state. According to article 86 of the Moldovan Constitution the president is entitled to take part in negotiations and to sign international treaties. Moreover, he appoints and recalls the heads of Moldova's diplomatic Missions. Although not mentioned in the constitution, by virtue of his office he sets the main foreign policy course. The foreign ministers in Moldova have traditionally been close to the president, in some cases even closer than to the prime minister. This also holds true for the re-appointed Foreign Minister, Nicolae Cernomaz, who has not only been a close ally of President Lucinschi, but also a person trusted by the Communist leader. The sudden replacement of pro-Western Nicolae Tabacaru by Cernomaz in autumn 2000 was mainly due to Communist pressure. Cernomaz could be regarded as the Moldovan Foreign Minister most oriented towards the East since the country gained independence, and he seems readily prepared to implement Voronin's foreign policy concept, which embraces a stronger orientation towards Russia as Moldova's strategic partner without breaking ties with Romania and the Western European countries.

Not surprisingly, Voronin's first foreign visit as Head of State led him to Moscow, where he underlined that, 'the Russian Federation was, is and will be Moldova's strategic partner'⁷⁸. Immediately after the parliamentary elections and again in his inauguration speech, however, Voronin also stressed that in principle he does not plan to change the foreign policy course of his country⁷⁹. Although Russia has been named a 'strategic partner' of the Republic of Moldova, ties with Romania, Ukraine and the European Union (EU) have not been cut or reduced by the new administration. Visits to Bucharest (30 April - 1 May) and Kiev (18 May) were next on Voronin's agenda and Prime Minister Tarlev went off to Brussels for the EU-Moldova Co-ordination Council on 15 May. The CIS summit in Minsk (31 May), the GUUAM summit in Yalta (June 6 - 7), the meeting of the heads of state of the Central European Initiative in Milan (June 8 - 9) and a visit to the Council of Europe in Strasbourg and to the EU in Brussels (June 26 - 28) in connection with Moldova's adherence to the Stability Pact completed Voronin's first round of visits abroad, while Foreign Minister Nicolae Cernomaz paid a visit to Washington from June 18 - 22.

The diversity of these visits and the statements made in their framework indicate, that Voronin does not intend to tie himself and his country entirely to Russia. Although Moldova has been admitted as an observer to the Russian-Belarusian Union⁸⁰ its full adherence to this union does not seem to be a priority. At least this question was not even discussed with Putin and Lukashenko during the CIS summit⁸¹. The Communist electoral platform stated only that

⁷⁷ Frankfurter Allgemeine Zeitung 05.04.2001, Kommunist neuer Präsident von Moldova.

⁷⁸ Infotag 16.04.2001, "Russia Was, Is and Will be Moldova's Strategic Partner", Voronin Says.

⁷⁹ Basa-Press 03.03.2001, Communist Leader Says There Will be "a Continuation" in Moldova's Foreign Policy.

⁸⁰ Infotag 06.06.2001, Moldova Admitted as Observer to Russia-Belarus Union in Minsk.

⁸¹ Basa-press 02.06.2001, Voronin did not Discuss Moldova's Accession to Russia-Belarus Union in Minsk.

this question would be considered, and might indeed lead nowhere as the idea now is to put the issue up for a referendum. Given that most Romanian speakers do not favour joining the union, basically, an electoral promise directed to the Russian-speaking electorate would be buried in an overly clever manner .

This notwithstanding, the relationship with Russia is bound to become closer. The Moldovan government demonstrated that it intends to maintain good relations by modifying its memo, presented to the European Court for Human Rights in October 2000 in the hearing on the Ilascu-case, in a way that it should now prove that Russian Federation was not guilty of violating human rights in the Transdnistrian region⁸². The agreement for military co-operation, concluded in 1997, has been ratified by the Moldovan parliament⁸³ and, according Russian officials, the drafting of the Basic Political Treaty between Moldova and Russia has entered its final stage⁸⁴.

During his visit to Moscow from 16 – 18 April, Voronin declared that his main task will be to overcome the socio-economic crisis in Moldova which is the poorest nation in Europe and that it is from Russia that he expects to receive the assistance in fulfilling this task. Russia delivers gas and energy to Moldova, is Moldova's most important export market and Russian companies like Itera and Lukoil have become also important economic players in Moldova. The opening of a Moldovan trade residency in Moscow and a possible reduction of gas tariffs would certainly be of great help for Moldova⁸⁵. However, Moldova-made ethanol, vodka, tobacco goods and sugar have been excluded from the of free trade regime with Russia⁸⁶ signed a couple of weeks after Voronin's visit and deficiencies in the energy situation are still threatening. Moreover, Russia, although it is Moldova's biggest creditor⁸⁷, has very little means to help Moldova in solving its foreign debt problem. Thus, Voronin might not get the economic support from Russia he might have hoped for and whether Russia will really help the Moldovan President to solve the Transdnistrian conflict has also become questionable (see section on Transdnistria further below). Thus, Voronin's statement that the priorities of the Republic of Moldova in the field of foreign policy must be exclusively determined by economics⁸⁸, might also be seen as justification for pragmatic ties with Romania and the European Union as well as with Ukraine.

When looking at Moldova's relationship to Ukraine, one must also make reference to the GUUAM – comprising Georgia, Ukraine, Uzbekistan, Azerbaijan and Moldova. The GUUAM, was once perceived as an attempt to balance the Russian influence in the region. The four, after Uzbekistan's entrance in 1999 five, states co-ordinated, *inter alia*, their policies within the framework of the OSCE. In their common statements to the Permanent Council of the OSCE they criticized the Russian Federation for not withdrawing their troops from Moldova or Georgia or for supporting separatists in Transdnistria, Abkhazia or Nagorno-Karabakh. They also discussed plans for pipelines and transport corridors which were to bring

⁸² AP Flux 06.06.2001, Russian Federation Denied the Participation to the Arrest of the Members of the "Ilascu Group".

⁸³ Infotag 20.04.2001, ... and Ratifies Agreement on Military Co-operation with Russia; Basa-Press 20.04.2001, Moldovan Parliament Ratifies Agreement on Military Co-operation with Russia. For more details see Basa-Press 13.04.2001, Parliament Eyes Military Cooperation between Moldova and Russia.

⁸⁴ Infotag 04.05.2001, Moldova-Russia Treaty Drafting Enters Crucial Stage.

⁸⁵ AP Flux 12.06.2001, The Foreign Political Priorities of the Republic of Moldova Must be Determined by Economic Reasons.

⁸⁶ Infotag 30.05.2001, Moldova's Critical Export Goods Excluded from Free Trade Regime.

⁸⁷ Infotag 28.03.2001, Moldova Asks for Debt Restructuring.

⁸⁸ AP Flux 12.06.2001, The Foreign Political Priorities of the Republic of Moldova Must be Determined by Economic Reasons.

oil from Azerbaijan further to the west without going through Russia. During the recent Yalta summit, Voronin and the four other Presidents, underlined, however, that GUUAM is not directed against Russia. GUUAM was to a certain extent institutionalised at this summit through the adoption of a charter. Plans to sign a free-trade agreement did, on the other hand, not materialise⁸⁹. Co-operation within the GUUAM framework does not cause headaches for the Moldovan president precisely because it is relatively weak and because it will not develop into a anti-Russian political and or military union. According to Voronin 'Everything that is done – the Euro-Asian Commonwealth, customs union, GUUAM, Russia-Belarus Union– has to be looked upon through the developing relations within the CIS'⁹⁰. Thus, Moldova, which also received observer status in Euro-Asian Economic Community during these weeks seems to be ready to integrate into very different inter-state structures in the CIS-area as long as it does not antagonise either Russia or Ukraine by doing so. Ukraine is Moldova's second biggest trading partner after Russia. Trade with Ukraine makes up 11.6 percent of Moldovan exports and 12.4 percent of imports⁹¹. Moreover most Moldovan exports have to pass through Ukraine before they reach their final destination. Thus, a good relationship with Ukraine, especially in the economic field, is essential for Moldova. It is therefore not surprising that Moldova would only join the Euro-Asian Economic Community jointly with Ukraine. Besides good export and transit opportunities, Moldova also expects the Ukraine to continue its constructive role as a mediator in the Transdnistrian conflict and the resolution of several bilateral issues – like the destiny of Moldovan property in Ukraine or the final border demarcation between the two countries. During Voronin's visit to Kiev on 18 May, it became clear that the Moldovan President is seeking a good and pragmatic relationship with its eastern neighbour. In the course of the visit, agreements on visa-free border crossing, on the reciprocal recognition of documents for educational and scientific degrees, on scientific and technological co-operation in the agriculture field and on co-operation between the ministries of justice, culture, and education were signed⁹². Such issues are not spectacular, but they touch on areas which are important for Moldova's further development. However, pressing problems also remain to be solved in this relationship. Recently, the Moldovan parliament postponed the ratification of the Moldovan-Ukrainian border treaty, which foresaw the trade of the 7.7 km-long section of the Odessa-Reni road, situated on Moldovan territory, for a 100-metre corridor of Ukrainian Danube riverbank⁹³. The latter which Moldova needs for the finalization of the Girgulesti oil terminal in south-western Moldova. This decision was motivated by vehement protests by the inhabitants of Palanca village, which is situated between this road section and the border and which would be cut off from the rest of Moldova, if the decision were implemented. The failure to ratify the treaty will also block the recognition of Moldova's property worth 500,000 US-Dollar on Ukrainian soil, and thus, might harm Moldova's economic interests and its relationship with Ukraine.

Pragmatism can also be observed with regard to Voronin's approach to Moldova's western neighbour, Romania. The relationship between Chisinau and Bucharest seems not to have suffered much after the Communists came to power in Moldova. Voronin's second visit abroad led him directly to Bucharest where he agreed with his Romanian counterpart, Ion Iliescu, that the relationship between the two countries should be based on 'pragmatism'. The development of economic and commercial relations as well the modernisation of the infrastructure linking the two countries are the prime objectives of the new leadership in Chisinau.

⁸⁹ See Frankfurter Allgemeine Zeitung 09.06.2001, Eurasische Vernetzungen.

⁹⁰ Basa-Press 02.06.2001, Voronin did not Discuss Moldova's Acccession to Russia-Belarus Union in Minsk.

⁹¹ Infotag 18.05.2001, Ukraine is Moldova's Second Biggest Trade Partner, after Russia.

⁹² Infotag 18.05.2001, Moldova and Ukraine Sign 6 Cooperation Documents.

⁹³ Moldova Azi 26 iunie 2001, Ratificarea tratatului de frontiera cu Ucraina va fi amanata, at: http://news.ournet.md/cgi-bin/ournet/mnews/page.cgi?ID=12428&From_Cat=33&d=1 as of 26 June 2001.

Not bridges of flowers as was the case in 1991, but real bridges count in 2001. The Romanian approach does seem to be directed in the same direction and accordingly, Romania strongly advocated Moldova's adherence to the Stability Pact which enables both countries now to look for funds to start with four infrastructure projects: the rehabilitation of the Iasi-Chisinau and Galati-Chisinau road, the reconstruction of a bridge near Lipcani and the construction of a new railway track based on European standards from Ungheni to Chisinau. To enable its citizens to use these links in the future, Moldova has to provide international passports for them, as Romania introduced a new travel regime to begin on 1 July 2001. As neither the Moldovan state nor most of the villagers along the border are able to bear the costs of the now compulsory passports, funds have been requested from abroad. Romania is ready to cover half of the 2.5 million US-Dollar required, the Stability Pact should provide the rest – at least according to Chisinau and Bucharest⁹⁴. Thus, there is some common ground for developing the pragmatic relationship between both governments. The establishment of business centres in Chisinau and Bucharest, the creation of a body for relations with Romania alongside the Moldovan cabinet and of inter-ministerial committees in Bucharest and Chisinau⁹⁵ are signs which support this assumption. Problems of course remain, although Moldova is ready to sign the basic political treaty between the two countries some difficult work has yet to be done to remove the historical and symbolic obstacles, which have blocked signature thus far: Romania favours the notion of 'two Romanian states' and would like a reference to the Ribbentrop-Molotov-Pact included in the treaty, which is not acceptable for the Moldovan side⁹⁶. Furthermore, one has to be beware that Romania itself is a relatively poor country which will require massive funding to prepare itself for accession to the European Union. Thus, although Romania supports Moldova's bid for the integration in European structures it has only limited funds available to assist it financially and would certainly proceed with accession to the European Union without Moldova.

Hence, financial assistance for Moldova has to come from somewhere else. According to Foreign Minister Cernomaz the chief driving force behind Moldovan external policy remains the same – integration into the European Union. With regard to the Russian-Belarusian Union, certain accents have been placed exclusively on economic co-operation⁹⁷. And although the Communists have voiced criticism of NATO expansion, they have not questioned Moldovan participation in the NATO Partnership for Peace Programme⁹⁸. Contradictions in this foreign policy concept, however, remain. The idea, for instance, that Moldova might once integrate into the European community together with Russia and Belarus, hardly seems a realistic option.⁹⁹ This ambiguity and the strategy for Moldovan politicians to say very different things to different audiences have already caused the IMF to halt loans for Moldova until a clearer pattern can be identified. For its part, the European Union has so far not reduced its engagement in Moldova and has proceeded with the process of including Moldova in the Stability Pact. The EU has an interest in a democratic and stable Moldova and sees the 2001 election results in a pragmatic way, the voters at least have provided the parliament with a stable majority, which could be used to conduct the necessary economic reforms¹⁰⁰.

⁹⁴ Pact Co-ordinator Hombach advised the Moldovan side to look for internal funding, but did not rule out a contribution by the Stability Pact altogether, see Infotag 15.06.2001, ...and Pact Project Funding to be Discussed at Bucharest Summit in October.

⁹⁵ AP Flux 31.05.2001, The Relations between Chisinau and Bucharest will Remain Special.

⁹⁶ Basa-general 23.10.2000, Let's Leave Moldova-Romania Treaty Unchanged, Says Moldovan Presidency; Infotag 12.02.2001, Moldovan-Romanian Basic Political Treaty Would not be Signed.

⁹⁷ Infotag 27.04.2001, Voronin Promises No Revision of External Policy Concept, Minister Says.

⁹⁸ Infotag, 29.05.2001, Moldovan Communists Against Nato Expansion.

⁹⁹ Infotag 16.04.2001, Russia Was, Is and Will be Moldovas Strategic Partner, Voronin Says.

¹⁰⁰ Statement by Antti Turunen (EU-Policy Unit) at the conference „Die Republik Moldau im europäischen und sicherheitspolitischen Kontext“, Hamburg, June 18-19, 2001.

Moldova's co-operation in the framework of the Partnership and Co-operation Agreement ratified in 1998 as well as its adherence to the Stability Pact by end of June and to the World Trade Organisation at the beginning of May have given backing to statements by Moldovan leaders that the country is indeed further interested in market reforms and closer European integration. According to the Moldovan Ambassador in Germany, the Republic of Moldova is primarily interested in relationships, which might help the country overcome its socio-economic crises, and is seeking such relationships in East and West. As a matter of fact, the Moldovan side is often more ready to integrate than the European Union is ready to accept this country¹⁰¹. It took Moldova two years to be accepted for the Stability Pact and nevertheless, Moldova was not included in the Free-Trade Agreement concluded with the other member states of the Pact¹⁰².

The Stability Pact is not only regarded by the Moldovan side as a step forward towards the EU, it is also a resource for the financing of important infrastructure programs like the ones described above and for support in the fight against crime and corruption. In order to receive funds, Moldova will be required to present concrete proposals for projects with regional significance like the ones mentioned above. As with regard to the WTO membership and the Partnership and Co-operation Agreement with the European Union, concrete measures must be taken in Chisinau in order to implement these international agreements. If Moldova is ready to do so and if it stays on a reform course, it might receive the economic support it needs so desperately from Western states and international financial organisations. Voronin also seems to have understood this. Although Moldova has named Russia as a strategic partner it has not abandoned the idea of European integration. The pragmatic foreign policy concept of the new leadership is certainly ambiguous and in part difficult to pursue, but given Moldovan economic requirements – gas and demand for Moldovan goods from the East, loans and investments from the West – there is hardly any alternative. In any case, it is much more promising than the ‘Moldova goes East’-scenario described by some Western observers this spring.

6. Voronin and the Transdnistrian Conflict: Same Procedure as Every Year?

Alongside economic reforms and foreign policy, the Transdnistrian conflict was the third main area expected to be affected by the change of power in Chisinau. As laid out in the new government programme, the settlement of the Transdnistrian crisis and wider economic co-operation with the former Soviet republics will be the primary objectives of the Tarlev government.¹⁰³ At first glance, one might actually argue that after the Communists came back to power in Chisinau, the prospects for the solution to the Transdnistrian conflict increased considerably.

In the late 1980s and early 1990s the conflict between the Transdnistrian region and the centre had two main cleavages:

- a linguistic (Russian/Moldovan) one, which was fuelled by different interests as well as by strong symbolism on both sides and which had strong economic implications;

¹⁰¹ Statement by Moldovan Ambassador to Germany, Nicolae, Tăbăcaru, at the conference „Die Republik Moldau im europäischen und sicherheitspolitischen Kontext“, Hamburg, June 18-19, 2001.

¹⁰² Basa-Press 29.06.2001, Republica Moldova a devenit membru cu drepturi depline a Pactului de Stabilitate pentru Europa de Sud-Est.

¹⁰³ Basa-Press 19.04.2001, Premier-Designate Presents His Governing Program.

- an ideological (Soviet Union/Western democracy) one which ran almost parallel to the linguistic conflict.¹⁰⁴

As for the linguistic cleavage, it has been reduced considerably by the announcement of the PCRM to declare Russian the official second state language in Moldova, Moldovan adherence to the Russian-Belarusian Union as well as their clear attitude to the question of unification with Romania ('Njet!'). Although some of these promises will not be fulfilled in the end and although the Communist leadership has made it clear that it considers it important that non-Moldovan citizens learn the language of the titular nation, it can hardly be expected that Russian speakers will have to face discrimination and lay-offs under Communist rule in Chisinau. The Communist aim in assisting Russian speakers in learning Moldovan might, today, even be welcomed by Transdnistrians. In any case, the official Transdnistrian propaganda against the threats of Romanization lost its value after 25 February and the linguistic cleavage, which fuelled the conflict ten years ago, is not a source of conflict today. The same is primarily true for the ideological cleavage which once reinforced the conflict. The ideological differences between the new Moldovan President and his Transdnistrian counterpart have to be regarded as negligible. In the run-off to the Moldovan elections, the PCRM was supported by the 'Communist opposition' in Tiraspol, which was later on harassed by the Transdnistrian authorities.

Thus, taking this situation into account and considering the models of power-sharing and autonomy which have been worked out over the past years with the help of three mediators (OSCE, Russia, Ukraine), in 2001 all the conditions seem to be in place to be able to overcome the issues which caused the Transdnistrian conflict in 1991/92.

As a matter of fact, however, the Transdnistrian conflict is fuelled by different issues now than it was in 1990/92. Today, the stabilisation of the status quo is mainly based on the interests of power in Tiraspol as well as of 'profiteers' in Chisinau. It is further reinforced by the interests of the Russian Federation in the region, which in the past has used the Transdnistrian conflict to gain maximum influence in Moldova and to prevent the withdrawal of its troops, which are still stationed in Transdnistria. Thus, even the landslide victory of the Moldovan Communists might not defrost the conflict instantly – although the new leadership might be more ready to accept a federalisation of Moldova and although it might be closer to the current leadership in Tiraspol in terms of ideology. As time has passed, fair models of power sharing and similar political concepts have not been the only aspects that count in the relationship between Chisinau and Tiraspol.

In order to find an explanation for the continued cold peace in the Transdnistrian region after over eight years of OSCE conflict management, one has to look not only at the causes of the 1992 war as well as the OSCE mediation efforts but also at certain factors and divisions, which have emerged since 1992 that have increased the complexity of the Transdnistrian conflict.

Since its declaration of independence on 2 September 1990 the 'Transdnistrian Moldovan Republic' ('PMR') has successfully established and consolidated its own state-like structure. In Transdnistria, alongside a president and a parliament there are, *inter alia*, a supreme court and a national bank, which issues its own currency, the Transdnistrian rouble. Border services, the police, internal security and border guards serve alongside the army as important pillars of power. Strong symbols like the constitution, the national anthem, the coat of arms,

¹⁰⁴ For a more detailed elaboration on these cleavages see Claus Neukirch, *Transdnistria and Moldova: Cold Peace at the Dniestr*, Helsinki Monitor 2/2001 (forthcoming).

flags and several monuments commemorating the 1992 war, have strengthened the Transdnistrians ideological base. One has to concede, that the 'PMR' functions relatively well, at least from the point of view of its rulers and some influential groups, which support them. The position of a 'president' of an 'independent', albeit unrecognised, state might not only be more prestigious than that of a governor of a special autonomous region of the Republic of Moldova, but it also assures control over certain economic resources. It might not be a coincidence, for example, that Smirnov's son controls the Transdnistrian customs department and it is quite understandable that Smirnov will seek a third term in office.

The economic resources controlled by the Transdnistrian leadership include a metallurgical plant in Ribnita and other well functioning enterprises. In addition, however, contraband and illegal trafficking are said to be strong sources of income as well. Transdnistria has become a 'black hole' in the region from which organised crime can operate, goods can be smuggled and money can be laundered. The open 'border' between these two de-facto economically and politically separated entities allows, for example, the 'tax-free' import of fuel products, cigarettes and alcoholic drinks to Moldova via Transdnistria¹⁰⁵. In addition, the illegal trafficking of drugs, weapons and human beings and related criminal activities are also widespread in the region.

In addition to these economic interests which are linked to the present state of affairs, the issue of personal security also plays a role. Influential figures in the security forces like Vadim Antyufeev and other former OMON officers are wanted by Interpol for the crimes they committed in Latvia in 1990/91. They might well dare to go shopping in Chisinau today, but they would feel much more uneasy if a political settlement were reached. Thus, as far as Tiraspol is concerned there is hardly any political will on the side of the ruling elite to conclude an agreement. So far, for them the best alternative to a negotiated agreement has been the status quo – at least in the short term.

Interestingly, as has been argued by Moldovan and foreign observers¹⁰⁶, there is also a lack of interest in Chisinau in changing the status quo. In order to fight the contraband problem the Moldovan government decided on 1 June 1999 to establish 17 permanent customs posts and 30 mobile posts along the inner-Moldovan 'administrative border' with Transdnistria and also along the frontier with Ukraine. The purpose of these posts is to ensure the collection of value-added tax and excise duties, and to halt the traffic in contraband goods¹⁰⁷. Judged by today's standards however, these posts do not seem to be very effective. Trafficking, contraband goods and other criminal activities have not been effectively halted. An economic blockade of Transdnistria has also not taken place. The Moldovan government had no intention of implementing the latter because it was well aware of Moldova's own vulnerability. All major roads, pipelines and train connections heading eastward pass through Transdnistria, thus Tiraspol has the opportunity to retaliate against any attempts to seal off Transdnistria. However, given the fact that various parts of the political class in Chisinau apparently also profit from contraband and illegal trafficking¹⁰⁸, there might have been additional incentives not to take customs controls between Transdnistria and Moldova too seriously. Given, that

¹⁰⁵ See Basa-press 28.07.1998, Interior Minister: Transnistria is a Passage Exploited by Shadowy Economy; Basa-business 11.09.1998, Economic Agents Import Goods to Transnistria to Avoid Taxes; Infotag 01.11.1999, Moldovan Budget Short-Received 1.35 Billion Lei due to Smuggling by Transnistria - Oazu Nantoi.

¹⁰⁶ See Anatol Păranus statement in a round-table discussion on Transdnistria published in: Transnistria trebuie să devină problema națională numărul unu a Republicii Moldova, Flux 06.06.1998, p. 2; Basa-Press 05.09.2000, Charles King: Politicians in Chisinau Want Existence of Secessionist Transnistria.

¹⁰⁷ Basa-Press 17.05.1999, Fiscal Checkpoints to be Installed at Eastern Border.

¹⁰⁸ Basa-Press 05.09.2000, Charles King: Politicians in Chisinau Want Existence of Secessionist Transnistria.

some of these profiteers are also said to be related to the Communist party and given the element of continuity in the new government, this attitude might not have changed. Thus, the existence of special elite interests in Tiraspol and Chisinau alike, will make conflict resolution in Moldova a complicated task also in the future.

Russian interests in the region have also to be taken into account when discussing the reasons for the continued cold peace in the Transdniestrian region. Even today there are probably still several different foreign-policy actors in Moscow¹⁰⁹, which support Transdniestria to different degrees. Over the years, stabilising support for Transdniestria has come especially from the red-brown forces in the State Duma. On the other hand, former President Yeltsin and now President Putin cannot be listed as strong allies of the current regime in Tiraspol. There is, however, a strong interest from the Russian side in keeping Moldova within the Russian orbit. Leverages for this purpose exist in the economic (gas, ownership of Moldovan enterprises), military (in the former 14th Army) and political (Transdniestria) sphere. Maintaining pressure on the Moldovan government by retaining Russian troops in Transdniestria and helping the 'PMR' to survive, very much serve this interest.

After the 2001 parliamentary elections, however, the question could have been raised whether the Russian goal to bring Chisinau closer to Moscow might have been achievable without Transdniestria. Russia has been named as 'strategic partner' of Moldova by President Voronin (see section on foreign policy above). Moreover, the Communists had promised in their election campaign they would consider the question of adherence to the Russian-Belarusian Union. Voronin had also indicated that the question of Russian troop withdrawal was not an issue of major importance for the new leadership in Chisinau. In the newspaper of the Communist Party, the possibility was even raised that the Moldovans might allow Russia to keep a permanent military base in Moldova¹¹⁰. A rapprochement between Chisinau and Moscow combined with the principal attraction for most Transdniestrians of a common, Communist-ruled Republic of Moldova would put the Tiraspol leadership in a difficult situation and would threaten their current position. As a matter of fact, leading PCRM-figures have already expressed their negative attitude to the current regime in Tiraspol and have indicated that a change of power in Tiraspol would be a feasible step on the way to conflict resolution¹¹¹.

For the time being, however, the new leadership in Chisinau has engaged in serious negotiations with the Transdniestrian leadership. Meetings on the leadership level were held on 11 April, 16 May, and 20 June with another summit scheduled for 8 August. Thus, it seems that the monthly meetings planned between Voronin and Smirnov will take place according to schedule. On 16 May, four agreements prepared by expert groups since the first summit on 11 April were signed. These agreements dealt with harmonising the tax and customs legislation guarantees to attract and protect foreign investments, co-operation in investment activities, measures to promote unimpeded activities of the mass media, distribution of periodicals, TV and radio programs on the Moldovan and Transdniestrian territories and recognition of documents issued by Transdniestrian authorities¹¹². As was the case in past years, implementation of these protocols will continue to be difficult. The Transdniestrian side, for example, announced immediately after the summit that it will introduce new Transdniestrian passports and demanded their recognition on the basis of the protocol on the recognition of documents –

¹⁰⁹ See Suzanne Crow, *The Making of Foreign Policy in Russia under Yeltsin*, Munich, 1993; Neill Melvin, *Russians beyond Russia*, London, 1994; Neill Melvin, *Forging the New Russian Nation*, London, 1995; Pål Kolstø *Russians in the Former Soviet Republics*, Bloomington and Indianapolis, 1995.

¹¹⁰ Basa-Press 03.04.2001, Political Commentary.

¹¹¹ AP Flux 02.04.2001, Pentru a solutiona diferendul transnistrean, este nevoie sa fie schimbata puterea de la Tiraspol, potrivit liderilor comunisti.

¹¹² Infotag 16.05.2001, Voronin and Smirnov Sign Several Agreements.

a demand the Moldovan side was not even ready to consider. Voronin even used this incident to point out, that although he had made compromises in the last few weeks, he would not overstep certain limits¹¹³.

Whereas the Transdniestrian side tries to restrict negotiations to economic matters and to use them as a means for consolidating its independence¹¹⁴, Voronin and his team – still led by Vasile Sturza who was appointed by Lucinschi – focus on a political solution for the Transdniestrian conflict. Although the unexpected release of Ilie Ilascu – who was sentenced to death by a Transdniestrian court for terrorist acts committed during the 1992 conflict – at the beginning of May and the regular meetings on the expert as well as on the leadership level seem to indicate progress in the negotiating process, one should keep in mind that the positions on the core issues of sovereignty and power have remained unchanged. The new leadership in Chisinau aims at an integrated and intact Moldova, which might be at best a federation, while Tiraspol sees the 'common state' as kind of confederation formed by two independent subjects, Transdniestria and Moldova. These differences became clear at the summit on 20 June, where an open exchange of opinions on the core questions of the status issue took place¹¹⁵. This kind of open dialogue might, in theory, indeed be a starting point for constructive negotiations aimed at overcoming existing differences. In reality, however, the chances that the Transdniestrian leadership would concede on the core points of the status questions are – for the reasons laid down above – practically nil.

As indicated before, there were prospects for real movement in the status negotiations after the elections. In this scenario, Moscow and Chisinau were able to agree to settle the status question together with the question of troop withdrawal. In a press conference after the elections, Voronin indicated that Moldova might legalise the Russian troop presence, while Primakov mentioned the possibility of concluding an agreement with Moldova on stationing Russian troops in Moldova or accepting an OSCE-mandate for a Ukrainian-Russian peace-keeping mission in Transdniestria¹¹⁶. Thus, it appeared Chisinau might be ready to grant Russia the right to station its troops legally on Moldovan territory in exchange for a solution of the Transdniestrian conflict. Although Russia certainly does not have full control over the regime in Tiraspol it does have the power to put considerable pressure on it. Otherwise, it would be very hard to explain the release of Ilascu just several weeks before a hearing on this case would have taken place before the European Court for Human Rights, Russia being one of the accused states. Moreover, a branch of the Russian party, Edinstvo (Unity) was established in Transdniestria. This party is, like the Transdniestrian organisations close to the PCRM, in opposition to the current regime in Tiraspol without being in opposition to Russia. Thus, one solution would be, that Russia puts pressure on the current regime and at the same time lends its support to more pragmatic people who would be ready to strike a deal with the Communists in Chisinau. Having gained legal status for its troops in Moldova, a government in Chisinau leaning towards the Russian Federation, which has increased control over the Moldovan economy, Russia might very well feel that it does not need the 'PMR' anymore. For the Moldovan Communists, on the other hand, the solution of the Transdniestrian conflict would by any means justify Russian troops in the country and maybe even the adherence to the Russian-Belarusian Union and the introduction of Russian as second state language. Thus, theoretically a political solution for the Transdniestrian conflict emerged after the Communists came to power in Chisinau – not because they were now in a position to strike a deal

¹¹³ Infotag 12.06.2001, ... Negotiations with Tiraspol are Approaching a Limit that cannot be overstepped.

¹¹⁴ Basa-general 04.05.2001, Primakov Planted a New Trap against Chisinau.

¹¹⁵ Infotag June 21, 2001, Vasile Sturza Comments Summit Results.

¹¹⁶ Basa-general 19.04.2001, Primakov Says Federalisation of Moldova is a Solution to Dniestr Crisis.

with Tiraspol more easily, but because they might strike a deal with Russia and because they might be accepted by the majority of the Transdniestrian population.

Recent developments, however, seem to indicate that this scenario is unlikely. The Russian Federation has apparently not abandoned Transdniestria and Moldova for its part has reconfirmed – within the framework of the second CFE Review Conference – the necessity of full compliance with the Istanbul decisions. The Moldovan government has made it clear that it expects Russia to withdraw its troops within the deadline set at the Istanbul summit¹¹⁷ and has even stated that Transdniestrian resistance to the withdrawal will not be accepted as an excuse. There was pressure to withdraw Russian troops again after the OSCE presented the Russian government with a document that certifies that the expenses in connection with the troop withdrawal or with the destruction of Russian weapons based in eastern Moldova would be financed by OSCE participating States – primarily from the West. For this purpose a voluntary fund was set up by the OSCE¹¹⁸. The adoption of a Russian-Transdniestrian protocol on the withdrawal of Russian troops¹¹⁹ and an agreement to construct a OSCE-financed plant for the destruction of the munitions stored in large quantities in Transdniestria were further steps forward in this process. However, the record of the last few years makes one sceptical, as signed protocols have rarely been implemented. Nevertheless, the fact remains that Moldova has stopped sending signals that a bilateral agreement on the stationing of Russian troops in eastern Moldova might be possible. Thus, it seems that the principal positions of the three directly affected actors of the Transdniestrian conflict have not changed much. A Communist-ruled Moldova might still be attractive to many Transdniestrians and acceptable to Russia, although the plans to introduce Russian as second state language, to join the Russian-Belarusian Union and to allow a permanent Russian military presence in Transdniestria seemed to have been abandoned. The pressure on Smirnov and his entourage might remain high. However, as long as it is not high enough to change the leadership in Tiraspol as well, a solution to the Transdniestrian conflict remains unlikely.

In connection with Transdniestria it has also to be mentioned that Western lack of interest contributed not only to the outbreak of violence in Transdniestria in 1992¹²⁰, it also gave Russia the leeway to set the standards in the negotiation process afterwards. In April 1997, then Russian Foreign Minister Yevgeni Primakov, broke the deadlock in the Moldovan-Transdniestrian negotiation process by introducing the notion of a ‘common state’ into the text of a memorandum, which was signed by the parties on 8 May the same year in Moscow. The OSCE Mission, which alongside the representatives of the Russian and the Ukrainian presidents has acted as a mediator in the conflict, was not present when Primakov introduced the notion of the ‘common state’. Although, not particularly happy with this formulation, the OSCE has had to accept the new text. Today, Russia insists on this imprecise and ill-fated notion also within the framework of negotiations related to the other two ‘frozen conflicts’ in the OSCE area – Abkhazia and Nagorno-Karabakh¹²¹. Thus, one has to realise that every

¹¹⁷ The respective part of point 19 of the Istanbul Summit Declaration from 19 November 1999 reads: “We welcome the commitment by the Russian Federation to complete withdrawal of the Russian forces from the territory of Moldova by the end of 2002.”, see. <http://osce.org/docs/english/1990-1999/summits/istadec199e.htm>.

¹¹⁸ Basa-general 29.05.2001, OSCE Shows Russia a Bill Demonstrating Financial Coverage for Withdrawal or Destruction of Transnistria-Based Russian Weapons.

¹¹⁹ Infotag 18.06.2001, Russia and Transdniestria Agree on Joint Utilization of Military Equipment; Basa-general 21.06.2001, OSCE Resident Representative is Convinced that Future Enterprise for Destruction of Aging Weapons will Secure Dniester Zone.

¹²⁰ See Claus Neukirch, Russia and the OSCE – The Influence of Interested Third and Disinterested Fourth Parties on the Conflicts in Estonia and Moldova, in: Pål Kolstø (ed.), Nation-Building, Integration and Ethnic Conflict in Estonia and Moldova, (forthcoming).

¹²¹ RFE/RL Caucasus Report 06.05.2001, Abkhaz Standoff Could Presage New Fighting..

document signed, every formulation accepted within the framework of one set of negotiations would have direct impacts on others in related conflict settings. To handle the Moldovan-Transdnistrian conflict as a minor, isolated problem, affecting only four million people means to leave the problem to others who may use this area as an influential test ground. The treatment of the Transdnistrian conflict will have impacts on the process of conflict resolution in Nagorno-Karabakh (Abkhazia as well as South Ossetia) and later on perhaps also on Chechnya, Kosovo and other regions where separatist conflicts have emerged.

Moreover, the question of Russian troop withdrawals is not only of regional importance but will directly affect the ratification process of the adapted CFE Treaty. During the last nine years, Russia has managed to monopolise the international peace-keeping role in Transdnistria and in 1996, it was also able to use parts of its former 14th army as peacekeepers, although this military formation was initially excluded from this kind of a role by the 1992 agreement. Thus, Russia has shown its willingness to keep at least a symbolic military presence in the region and might continue to maintain this presence if the West does not continue putting pressure on Russia to obey its commitments to the 1999 OSCE Summit in Istanbul and live up to its obligations in the CFE Treaty.

7. Conclusions

What are the main conclusion one can draw after 120 days of Communist rule in Moldova? First, although Moldova will lean more towards Russia and although market reforms in the country cannot be expected to accelerate – as would actually be necessary – the country is not lost for the West. And second, it would be in the West's own interest not to write Moldova off and engage in an open and constructive dialogue with the Moldovan leadership in order to demonstrate that Moldovan problems can be solved doubtless only through co-operation with the West – under the condition that the country strengthen its efforts to play according to the rules and to fight nepotism and corruption.

Although Moldova is a small country with minor strategic significance today, it is important to follow events in Moldova and to take them seriously. Russia has tested strategies here, which it later used in other countries and might do so in the future. A continued lack of interest in the country would also make it easier for Russia to consolidate its control over the country and to increase the pressure on Ukraine to follow the same road.

Given that Moldova has a strong Russian minority, established economic, historical and cultural ties with Russia and that it will also need future Russian markets for its exports and Russian gas for heating and electricity, Russian influence in Moldova should not be regarded as something negative as such. However, this influence should not be hegemonic. Thus, the West should not try to antagonise Russia, but to co-operate with the Moldovan and the Russian governments in order to enhance stability and economic development in the region.

Given that there is a continued interest from the side of the Moldovan Government to integrate into European structures and to pursue market reforms, the West should offer Moldova financial assistance, a programme for restructuring its debts and a perspective to integrate economically and politically further into European structures. The existing agreement with the IMF, the Stability Pact and the Partnership and Co-operation Agreement with the European Union seem to be adequate frameworks at the moment, which, however, have to be used actively by the Moldovan side. The decision of the German government to suspend its technical assistance to Moldova should be revised, the more so as it has not been based on clear politi-

cal or development criteria. The prerequisite for Western financial assistance will, nevertheless, be that the country strengthens its efforts to play according to the rules and to fight nepotism and corruption. A pragmatic Communist leadership that controls all the branches of power, but is by no means comparable to the non-democratic regimes in Belarus or Central Asia might very well be a reliable partner for the West. The Communists are not the ones responsible for the state of Moldovan economic affairs, described in the recent IMF-report on Moldova¹²². That situation can be attributed to the preceding governments under the presidencies of Mircea Snegur and Petru Lucinschi.

¹²² International Monetary Fund, Republic of Moldova. Recent Economic Developments, IMF Country Report No. 01/22, January 2001, at: <http://www.imf.org/external/pubs/ft/scr/2001/cr0122.pdf> as of 25 June 2001.