

FIIA 5/2012

COMMENT

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Moldova deserves more from the EU > Moldova has overtaken Ukraine on the European track, but political instability jeopardises the achievements of past years.

In spite of chronic political instability, Moldova has made considerable political and economic progress over the past two and a half years. However, the popularity of the current government is lower than ever, and the country may face a third early parliamentary election within three years.

Almost three years ago, in April 2009, Moldova saw its version of a “color revolution” that brought to power a reform-minded, European-oriented government. Today there are worrying signs that the country might follow the path of Ukraine, as its political paralysis is slowing down reforms, frustrating the public, and may eventually lead to an authoritarian turn.

The Moldovan parliament has been unable to elect a new president for a record-breaking period of two and a half years. The ruling coalition lacks the necessary number of votes in the parliament. The Moldovan constitution rules that if the parliament fails to elect a president, it has to be dissolved. The coalition has been trying to postpone this move with attempts to change the constitution or find a compromise candidate, thus far without success. It now aims to get the president elected on 16 March. If it fails again, it cannot afford further legally dubious attempts to cling on to power.

Yet there is also more positive news to tell. Freedom House has just ranked Moldova as the most free country in the CIS area. Another watchdog, Reporters Without Borders, indicates a huge improvement in media freedom and places Moldova far ahead of its Eastern

neighbours. At the same time, Moldova’s business climate has improved considerably according to the World Bank, and there was good economic growth in 2010–2011 (seven and six per cent respectively). Moldova has made good use of its three-year programme of IMF support, launched in January 2010, while Ukraine’s IMF programme has been frozen due to lack of reforms.

The political wrangling has not prevented Moldova from advancing quickly in its relations with the EU. In December 2011, the EU and Moldova launched negotiations on a “deep and comprehensive” free trade agreement (DCFTA) – at a time when Ukraine concluded talks on a similar deal, but which the EU refused to sign due to a democratic setback in the country. Moldova has also worked hard to implement the EU’s conditions for visa liberalisation, including measures to strengthen the rule of law. According to progress reports published by the EU in early February, it is clearly ahead of Ukraine in this process.

There is also a new thaw in the settlement process of the 20-year-old Transnistrian conflict, although a quick breakthrough is unlikely. Formal negotiations to solve the conflict were resumed in late 2011, after a five-year breakdown. Moscow

is showing new interest in the negotiations, while the separatist Transnistria has a new, relatively young and pragmatic leader, Yevgeny Shevchuk, who is keen to normalise trade and the movement of people between the two sides. Transnistria has an interest to be included in Moldova’s European integration, as it is seeking ways to reform its economy and increase trade with the West. The conflict is not an obstacle to achieving the main goals of EU–Moldova relations in the next few years, notably an association agreement, including a deep free trade part, and visa freedom.

The opposition Communist party of Moldova has flirted with the Russian offer to join the Customs Union of Russia, Belarus and Kazakhstan. This is a competing option to a DCFTA with the EU and is favoured by many supporters of the so-called Communists, especially elderly people with nostalgic views on the Soviet Union. At the same time, the ongoing crisis in Europe has diminished the attraction of the EU.

However, the younger generation largely continues to opt for the European model of democracy and the rule of law. The European orientation is also more likely to bring long-term economic development.

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A DCFTA with the EU provides a framework for modernising the economy and reforming domestic institutions. The Customs Union could bring ad hoc benefits to some businesses, but integration with less developed economies would not be inducive to modernisation.

What makes a U-turn less likely is Moldova's political plurality. No party is strong enough to gain a majority in the parliament, and any potential coalition would include groups favourable to continued European orientation. Hence, there is a chance that the piecemeal technocratic Europeanisation will continue.

The problem is that this process is too slow and too technocratic, requiring much regulatory homework and lacking a clear destination. Moldova wishes to become an EU member, but the Union is reluctant to continue enlargement. Visa freedom and economic integration are important goals, but may take years to achieve.

Moreover, there is no guarantee that the EU will allow visa-free access to Moldovan citizens even if the technical conditions are met, due to political reluctance in some member states. In Germany, for example, there is support for proceeding simultaneously with

visa liberalisation for the Eastern neighbourhood countries and Russia, arguably in part because of the large number of multiple citizenships in these countries.

Whatever the reasons – multiple citizenship is a common phenomenon in today's Europe and sounds like a bad excuse for keeping the borders closed – such a linkage would be highly damaging for the EU's ability to promote reforms in the Eastern neighbour countries. The EU should consistently implement one of the core principles of its neighbourhood policy, "more for more", which promises more support and closer integration for countries that undertake democratic reforms. It also needs to offer attainable rewards to those neighbours that make serious efforts to Europeanise their political and economic systems.

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