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Moldovan Governments in Perspective – With the Alliance towards European Integration?

Summary

The collapse of the Communist Party in Moldova in 2009 went hand in hand with high hopes for changes in the country. However, the new government's continued failure to elect a president has instead aroused memories of the 1990s. At that time, the country fell apart both politically and economically: A process that was only halted when the Communists came into power under Voronin.

The paper analyses whether anything has changed in Moldova since the tumultuous events of 2009. It compares the former Communist government under Voronin with the current rule of the 'Alliance for European Integration'. It argues that even though it was the Communist Party that brought Moldova onto a more ambitious path towards European integration, it was the Alliance that added a credible political component to this process.

In some areas, reforms continued to progress only slowly. Still, the country has become politically more liberal while maintaining its good record in areas of technical cooperation. Overall, even if the government were to fall as a result of the presidential crisis, Moldova's current path towards European integration seems to be set.

Moldovan Governments in Perspective – With the Alliance towards European Integration?

■ Introduction

On 12 January 2012 the most recent attempt to elect a president in the Republic of Moldova failed.¹ After the constitutional court in Chişinău had revoked the previous election from 16 December 2011, the new attempt was cancelled. As a reaction to the decision, demonstrations demanding the government to step down, organised by the PCRM (*Partidul Comuniştilor din Republica Moldova* / Party of Communists of the Republic of Moldova), crowded the centre of the capital during the last weeks.² Moldova has now been short of a president for the last two and a half years, since the PCRM lost power to the oppositional coalition AIE (*Alianţa pentru Integrare Europeană* / Alliance for European Integration).³

This situation of continued political instability and deadlock seems to be at odds with the ousting of the last president, Vladimir Voronin, in 2009. At that time, large protest rallies against alleged electoral fraud had turned into violent clashes with security services. The subsequent victory of the opposition in the parliamentary elections had yielded high hopes for political change in the country. Today, however, the numerous failed attempts to elect a new president, in addition to a failed referendum to change the mode of presidential election, rather arouse memories of the situation during the 1990s. Back then, weak governments and presidents had fought tiresome battles over constitutional changes, while presiding over high levels of corruption and steep economic decline. In contrast, the Communists could boast strong economic growth most of their time in government. It was the PCRM that brought Moldova on a more ambitious path of European integration than any other government before, as it joined the European Neighbourhood Policy (ENP) in 2005 and concluded an Action Plan for reform. In comparison to the in times infighting

1 »Der Standard« 2012: Präsidentschaftswahl abgesagt; <http://derstandard.at/1326249115130/Praesidentschaftswahl-abgesagt>; last access 06.03.2012.

2 Unimedia 2012: Comuniştii şi CACD au protestat şi în week-endul trecut în Capitală; <http://unimedia.md/?mod=news&id=44607>; last access 06.03.2012.

3 Initially formed by the Liberal Democratic Party (PLDM), the Liberal Party (PL), the Democratic Party (PD), and 'Our Moldova Alliance'.

AIE, the PCRM was usually a cohesive political force, and is still the single most popular party in Moldova.

It seems therefore worthwhile to ask if something has actually changed in Moldova since the tumultuous events of 2009. Change is considered in this article mainly against the backdrop of progress in the implementation of the EU-Moldova Action Plan, the main reference document for cooperation towards further European integration. Still, this progress can also be seen in a wider sense as generally progress in reform, as the Action Plan was endorsed by both the PCRM as well as the AIE as their central agenda for domestic reform.⁴

In the first part, I start with a general outline of the instability during the 1990s and contrast it with the rule of the PCRM under Vladimir Voronin since 2001. Besides its achievements, I also take a closer look at the drawbacks of Communist rule in Moldova until 2009. The second part is focused on the Alliance for European Integration and asks for changes that happened since 2009. The conclusion summarises the results and gives a perspective for future development. I argue that even despite the fairly good record of the PCRM in areas of technical cooperation, it was the AIE that added a credible political component to the partnership with the EU. It thereby changed the political climate in the country as well as for international cooperation.

Moldova under Voronin

From crisis to communist rule

The period after the demise of the Soviet Union and Moldova's declaration of independence on 27 August 1991 was characterised by a high degree of political instability and sharp economic decline. The constitution of 1994 introduced a semi-presidential system of government, which meant a strong limitation on the role of the president in comparison to other post-Soviet constitutions. What followed were repeated attempts to change the constitutional order in favour of either the parliament or the president: Mircea Snegur, as well as his successor as president, Petru Lucinski, both tried to establish a presidential system, and both failed to achieve their goal. Finally, a parliamentary system was introduced on 5 July 2000, against the will of the incumbent president. Politics during the 1990s in Moldova further suffered from strongly personalised and weak parties and instable parliamentary groups. Compared with the 1994 results of the elections, for example, no party formation managed to get into the 1998 parliament unchanged.⁵

4 *Spruds, Andris / Danelsons, Renars / Kononenko, Vadim* 2008: Analysis of the EU's Assistance to Moldova; <http://www.tepsa.be/%2Fdownload.pdf&ei=p6ZWYLIIFYO1hAeznfjJDA&usq=AFQjCNEt1JUu00JxOKWw1YxdygDHcrtsbA>; last access 12.02.2011, p.8. *Government of Moldova* 2010: Rethink Moldova –Priorities for Medium Term Development; <http://siteresources.worldbank.org/INTMOLDOVA/Resources/Rethink-Moldova-2010-2013-Final-edit-110310.pdf>; last access 23.05.2011, p. 4.

5 *Büscher, Klemens* 2004: Das politische System Moldovas, in: *Ismayr, Wolfgang* (Ed.): Die politischen Systeme Osteuropas, Stuttgart: UTB, pp. 521-526.

After the civil war and the separation of Transnistria in 1992, economic reforms resulted in a sharp decline of industrial production and an extreme fragmentation of the agricultural sector. Inflation exploded to over 1200 % in 1992/1993 and GDP shrank every year by roughly one-third. Recovery was later hampered by Russia's financial crisis in 1998, because Moldova depended on it as an export market.⁶ These developments during the first years of independence were the key to the degeneration of Moldova to be the "poorest country in Europe".

This degeneration was halted, however, when the PCRM came into power. After achieving a landslide victory in 2001, the PCRM was the first party to control the government, the parliament, and the Supreme Council of Magistrates at the same time. It was also able to appoint all judges of the constitutional court, because the right to do this belonged to these institutions.⁷ Therefore, no horizontal veto players remained, as the PCRM controlled not only the legislative and executive, but exerted also an ever-growing influence on the judiciary. Highly supportive of this was the strong organisational capacity of the party: Able to draw on an established ideological tradition as well as a centralised structure, President Voronin managed to control the Moldovan state in a way that the former "leaders who lacked solid party structures could not in the 1990s".⁸ – Similarly to the end of political deadlock, the economic crisis was halted and reversed: Moldova saw "its GDP growing at an average rate of 5 % between 2006 and 2008, reaching 7.2 % in 2008 itself, while monetary and fiscal positions were kept in check".⁹

In the realm of its international relations, the government decided to turn its focus to the west. After Voronin had won the elections in 2001 on a strong pro-Russia ticket, he did not hesitate much to change his course towards western alignment as the EU offered Moldova to participate in its neighbourhood policy. During the 1990s Moldova had been, despite its aspirations, frequently excluded from any process that could have led the country to EU membership: While neighbouring Romania received a Europe Agreement and a perspective for accession, Moldova concluded only a very general Partnership- and Cooperation Agreement (PCA) with the EU. After the conflicts in the Balkans, the country was integrated into the Stability Pact for South Eastern Europe. Despite this "relocation", it was later denied membership in the Stabilisation and Association Process (SAP), leading towards membership for the countries in the Western Balkans: A Stability and Association Agreement (SAA) would have offered Moldova distinct instruments and benchmarks for the support of the reform process, medium- and long term priorities for cooperation, and a regular inspection of the advancement in these areas.¹⁰

6 *Reinhardt, Victoria* 2008: Fördermittel statt Beitrittsperspektive: Brüssel und Chisinau seit der Auflösung der Sowjetunion, Baden-Baden: Nomos, pp. 50-53.

7 *NIT* 2005: Nations in Transit Country Report Moldova; <http://www.freedomhouse.org/template.cfm?page=47&nit=367&year=2005>; last access 20.12.2010, p. 13.

8 *Way, Lucan* 2008: The real causes of the color revolutions, in: *Journal of Democracy*, 19 (3), p. 63.

9 *Government of Moldova* 2010: Rethink Moldova ..., p. 6.

10 *Reinhardt, Victoria* 2008: Fördermittel statt ..., p. 126.

Taking into account the foregoing neglect, the ENP was a clear improvement for Moldova. The aim of the jointly agreed Action Plan for reform is clearly stated as "the approximation of Moldovan legislation, norms and standards to those of the European Union".¹¹ Monitoring is much closer than for the PCA, as clearer benchmarks are set, and regular reports monitor Moldova's implementation progress. As new benefits, the EU-Moldova Action Plan includes an enhanced political cooperation, more financial and technical support to achieve the objectives of the plan, and "a stake in the EU's Internal Market".¹² At the same time, it underlines that "common values" are the basis for cooperation and have to be adhered to fully benefit from the policy.¹³

If the amount of financial support is a marker of successful cooperation, the PCRM government can be seen as more successful than any other government before it in attracting EU support for its country: Assistance was granted via TACIS (Technical Assistance to the Commonwealth of Independent States), EIDHR (European Initiative for Democracy and Human Rights), and in form of substantial macro-financial assistance, amounting in sum up to € 320 million between 1991-2006.¹⁴ In the ENP framework, however, Moldova was included into the ENPI (European Neighbourhood and Partnership Instrument) facility and could also benefit from technical support via Twinning and TAIEX programmes.¹⁵ Financial support increased to € 209,7 million (2007-2010), and once again to € 273,14 million (2011-2013), making Moldova the EU's greatest aid recipient per capita in the whole region.¹⁶

At the same time, the EU replaced Russia as the country's most important trading partner, because the government reached further trade facilitation through reform. Whereas in 2005 the Generalised System of Preferences Plus (GSP+) was granted, in 2007 the Commission found that Moldova had reached a sufficient level of reform for the next step, Autonomous Trade Preferences (ATPs).¹⁷ Reforms were supported

11 *European Commission* 2005: EU-Moldova Action Plan; http://ec.europa.eu/world/enp/pdf/action_plans/moldova_enp_ap_final_en.pdf; last access 26.03.2011, p. 2.

12 *Ibid.*

13 *Ibid.*, p. 1.

14 *Spruds, Andris / Danelsons, Renars / Kononenko, Vadim* 2008: Analysis of the EU's ..., p. 7.

15 Twinning programmes help countries to build the necessary administrative capacities and structures to implement the EU *acquis*; TAIEX offers technical expertise on demand with regard to approximation, application and enforcement of EU legislation.

16 *European Commission* 2007: Republic of Moldova: National Indicative Programme 2007-2010; http://ec.europa.eu/world/enp/pdf/country/enpi_nip_moldova_en.pdf; last access 10.04.2011, p. 3.

European Commission 2010: ENP Progress Report Moldova; http://ec.europa.eu/world/enp/pdf/progress2010/sec10_523_en.pdf; last access 10.04.2011, p. 12. *Spruds, Andris / Danelsons, Renars / Kononenko, Vadim* 2008: Analysis of the EU's ..., p. 4.

17 *European Commission* 2006: ENP Progress Report Moldova; http://ec.europa.eu/world/enp/pdf/sec06_1506-2_en.pdf; last access 10.04.2011, p. 8. *European Commission* 2008: ENP Progress Report Moldova; http://ec.europa.eu/world/enp/pdf/progress2008/sec08_399_en.pdf; last access 13.06.2011, p. 9.

through financial and technical assistance for customs reform, which enabled the government to proceed more easily. A feasibility study for a possible future deep and comprehensive free trade agreement (DCFTA) was launched as early as 2008.¹⁸

In sum, after the election of Voronin as president of Moldova, the country experienced an unprecedented period of stability in government and economic growth. This went along with a deepening of relations with the EU, increased financial assistance, and reform in trade related areas. These positive developments were, however, only one side of the coin, as will be further elaborated in the next chapter.

The perils of PCRМ rule

As the Moldovan economy is concerned, the apparent improvement of the situation soon turned out to be misleading. The backbone of economic growth were the remittances sent back by Moldovans working abroad, most of which originally emigrated because of the crisis. The World Bank's Vice-President even stated that Moldova was in reality doing "one step forward, two steps back".¹⁹ The causal link was the rise in consumption and investments, which increased Moldova's trade deficit, but also lead to steady growth in the building industry.²⁰ In 2008, remittances were already the equivalent of roughly one-third of total GDP, making Moldova one of the most remittance-dependant countries in the world.²¹ The 'solution' to the problem was therefore not better policies, but rather stagnation or even further deterioration, as this kind of growth model depended on a continuous will of big parts of the Moldovan workforce to stay abroad or to leave the country.

Equally, the newly created political 'stability' went hand in hand with a deterioration of the playing field for political contestation. The control of the media, abuse of the judiciary, and a strong centralisation of the state became quickly central pillars of governmental power.

A key problem was the freedom of the media. For most of the communist reign, Moldova was downgraded from still "partly free" in 2003 to "not free" in the Freedom House ranking.²² A special impediment of the coverage of electoral contests was Article 47 of the Election Code, which regulated the possibility of news coverage of elections: As it was to most channels unclear in which cases beyond free air time and paid adverts it was allowed to report on the elections, most generally tended to avoid the topic at all. This kind of self-censorship led to huge advantages for the

18 *European Commission* 2009: ENP Progress Report Moldova; http://ec.europa.eu/world/enp/pdf/progress2009/sec09_514_en.pdf; last access 10.04.2011, p. 10.

19 *Dogaru, Vitalie* 2005: Moldova: Moldova's Curious Growth, in: *Transitions Online*, 25 (1), p. 2.

20 *Reinhardt, Victoria* 2008: Fördermittel statt ..., p. 58.

21 *Government of Moldova* 2010: Rethink Moldova ..., p. 6.

22 *Freedom House* 2010: Freedom House Press Freedom Moldova 2010; <http://www.freedomhouse.org/template.cfm?page=251&country=7878&year=2010>; last access 06.03.2012.

incumbent government, as their official duties could be and were covered extensively during the news, while the line towards campaigning was often blurred. The regularly conducted content analysis of the news on behalf of the OSCE found that during the 2003 local elections the state broadcaster provided "the President with 45 per cent and Government with 43 per cent of the news coverage, and that almost all the coverage was positive".²³ Equally in 2007, "74 per cent of [Moldova 1's] political and election-related prime-time news coverage [was devoted] to the President, the Government, and the Speaker of Parliament, and another 6 per cent to the PCRM".²⁴ At the same time the supervisory council responsible for impartial news coverage focussed on warnings towards the oppositional media, and even spared the private pro-PCRM channel NIT from criticism. A formal restructuring of the public broadcaster Teleradio Moldova was adopted in July 2006. Still, there were no changes as the independence of the station is concerned, or the strengthening of the Broadcasting Coordination Council.²⁵ The ambassadors from EU countries in Chişinău even warned the government directly in statements in July and November 2008. The 2010 Progress Report, however, did not see any improvement, but even stated that the situation "worsened significantly".²⁶

As centralisation is concerned, the government took some efforts to model the polity in a way that was more favourable for maintaining its power. A reform of the state's structure virtually erased the federal division of the country, and reintroduced the old Soviet rayon-system of smaller districts. A reform of public financing complemented this step: Allocations of money were almost entirely assigned by the government, thereby weakening local autonomy fatally.²⁷ In 2008, the government used this after a defeat in the local elections to distribute 74 % of funds to only one-third of districts, namely to those where Communist mayors had sustained their power.²⁸

Partisan control of the judiciary was achieved by a change of judges (a third of all judges had been changed already in 2003), even at the constitutional court (only PCRM candidates prevailed).²⁹ The OSCE reported that in some cases oppositional mayors were arrested on dubious grounds only days after their registration for elections.³⁰ Court cases against candidates were re-opened "in order to exert

23 OSCE 2003: Local Elections in Moldova 2003; <http://www.osce.org/odihr/elections/moldova/42389>; last access 13.05.2011, p. 12.

24 OSCE 2007: Local Elections in Moldova 2007; <http://www.osce.org/odihr/elections/moldova/26842>; last access 14.05.2011, p. 13.

25 European Commission 2009: ENP Progress Report ..., p. 5.

26 European Commission 2010: ENP Progress Report ..., p. 6.

27 NIT 2007: Nations in Transit Country Report Moldova; <http://www.freedomhouse.org/template.cfm?page=47&nit=430&year=2007>; last access 01.05.2011, p. 12.

28 NIT 2009: Nations in Transit Country Report Moldova; <http://www.freedomhouse.org/uploads/nit/2009/NIT-Moldova-final.pdf>; last access 12.02.2011, p. 380.

29 NIT 2004: Nations in Transit Country Report Moldova; <http://www.freedomhouse.org/template.cfm?page=47&nit=367&year=2005>; last access 22.12.2010, p. 10; NIT 2005 ..., p. 13.

30 OSCE 2003: Local Elections ..., p. 9.

pressure on electoral contestants".³¹ As a result of this re-opening candidates were prohibited from running in the elections, as the Electoral Code does not allow persons to participate who have a criminal case filed against them. Anti-corruption investigations and tax-evasion charges were sometimes used against political opponents. A case of alleged bribe taking by members of the "Audivisual Coordination Council" (CCA) was by some observers linked to the warnings of the Council to broadcasters because of biased reports on the elections in favour of the government.³²

After the alleged fraud in the parliamentary election of April 2009, the PCRM reached a Supreme Court decision that halted the process of copying voters' lists, a measure aimed at controlling the lists for possible manipulations.³³ Despite the allegations of electoral fraud, and despite proof presented by the opposition (which was also doubtful, according to the OSCE), the Constitutional Court opposed a thorough investigation and declared the election as well as the composition of the new parliament (with a Communist majority) as valid.

In sum, the stabilisation of the political situation in Moldova came with the price of a decline in political pluralism. The Voronin government worked closely with the EU, however, delayed and distorted most reforms stipulated in the Action Plan which could have threatened its grip on power. The EU, on the other side, was aware of these deficits as "common values" are concerned and reported them continuously in its regular Progress Reports. However, funding still increased further, as apparently this partly success was also appreciated. Sector specific incentives like trade facilitation were granted even despite lack of progress as the rule of law and fundamental freedoms are concerned. The PCRM government was therefore at times an efficient reformer, however, always only as long as its control of the country was not endangered by changes.

Moldova under the Alliance for European Integration

The loss of the parliamentary majority by the PCRM after the snap elections on 29 July 2009 marked the end of the rule of Vladimir Voronin as President of Moldova. The elections were preceded by strong protests against alleged electoral fraud during earlier parliamentary elections in April 2009, which had quickly turned violent. It was finally not the protest, but the lack of a presidential majority that led to new elections. However, the protests can still be seen as a key factor for the opposition to refuse co-optation by the PCRM, as it had happened in 2005. Framing their political struggle as yet another "colour revolution", they used the window of opportunity opened by the protests to strive for new elections and to form a government of their own.

31 *OSCE 2007: Local Elections ...*, p. 8.

32 *Ibid.*, p. 14.

33 *OSCE 2009: Parliamentary Elections in Moldova 2009*; <http://www.osce.org/odihr/elections/moldova/39799>; last access 14.05.2011, p. 3.

Towards reform ...

In the aftermath of the elections in July 2009, the new AIE government underlined that it was its central aim to reinstall credibility in the Republic of Moldova being a committed European partner. In its reform programme "Rethink Moldova" the government stated that it saw European integration as "the most fundamental priority of domestic and foreign policy".³⁴ It stressed that in comparison to the former government, its aim was to switch from European rhetoric to action. That meant that it would address problems that received the strongest criticism in the country as well as from international observers during the years before, among them the freedom of the media, the judiciary, and decentralization.

As a first measure, the leadership of "Teleradio Moldova" was changed, as well as the personnel of its supervisory council, while a new Law on Freedom of Expression in line with OSCE recommendations was adopted in April 2010. The Romanian channel TVR1 was returned its licence (which it had lost in 2007) and two new nation-wide television stations were launched (Jurnal TV, Publika TV). This had a direct and observable effect on the situation of media pluralism in the country: Partiality in reports on the two polls that took place in Moldova in 2010, a referendum and early parliamentary elections, "significantly decreased".³⁵ The OSCE observer mission praised the conduct of the elections and especially the freedom of the media, as a "broad range of political views and election information was available to the electorate".³⁶ Violence against members of the press as experienced before also strongly declined.

As the judiciary is concerned, the new government underlined during the first meeting of the EU-Moldova Cooperation Council after the elections, that it planned to follow ODIHR recommendations for future elections and signalled its readiness to set up a regular dialogue on human rights. There were cases opened against police officers and high officials (e.g. the former interior minister and the police chief of Chişinău) against the backdrop of maltreatment of protestors and journalists during the protests in 2009.³⁷ This can be seen as an important measure against a climate of impunity for abusive police officers. After July 2009, reports on human rights violations on the part of the security services largely ceased.³⁸ One of the major problems of the Moldovan system of justice is its poor enforcement record of court decisions. Due to this, Moldova has lost a high number of cases at the European Court of Human Rights (ECHR) during the last years. In 2010, however, an improvement in the execution of ECHR rulings in comparison to the years before was observable, according to the

34 *Government of Moldova* 2010: Rethink Moldova ..., p. 4.

35 *Ibid.*, p. 371.

36 *European Commission* 2011: Progress Report 2011; ec.europa.eu/world/enp/pdf/progress2011/sec_11_643_en.pdf; last access 06.03.2012, p. 4.

37 *NIT* 2011: Nations in Transit Country Report Moldova; www.freedomhouse.org/sites/default/files/inline_images/NIT-2011-Moldova.pdf; last access 06.03.2012, pp. 379-382.

38 *Ibid.*, p. 382.

NGO "Lawyers for Human Rights".³⁹ Already existing reform plans of the judiciary continued to be implemented (like the comprehensive judicial information system), but a lack of resources prevailed. To tackle this problem, the EU will support Moldova with additional € 52 Mio. of budget support for judicial reform, and another € 10 Mio. of technical assistance in this field, starting by the end of 2012. The support will be used to apply a newly developed reform strategy, for which an Action Plan was adopted, yet, by both government and parliament.⁴⁰

Decentralisation, especially fiscal decentralisation, was mentioned in the government's reform programme as a central priority. It underlined that decentralization efforts should especially tackle questions of local ownership for policy implementation. Budgetary freedom at the local level should be enhanced, as its limitation made it an easy victim for partisan abuse.⁴¹ The government therefore showed that it was aware of the problem created by the earlier PCRM reform. As a means of tackling the problem, the government installed a "Directorate for Decentralisation Policy" within the State Chancellery and a "Parity Commission for Decentralization", including national and regional authorities, as well as representatives from NGOs.⁴² Beyond this engagement in capacity building for reform, however, concrete progress was limited.

As the economic situation is concerned, Moldova's GDP shrank by 6,5 % in 2009, due to falling remittances, foreign direct investment, and trade during the world economic crisis.⁴³ The economy started to recover in 2010, against the backdrop of growing remittances. To leave the inherited consumption- and remittance-based growth model behind, the government took measures to improve the business climate. As part of this endeavour it adopted, for example, a law to facilitate the registration of new businesses (one-stop-shop). According to the "doing-business"-ranking by the World Bank and the IFC (International Finance Corporation), which assesses regulations affecting domestic firms, Moldova was in the last year worldwide the second best performer in this field of reform, only behind Morocco.⁴⁴ Between 2009 and 2011 Moldova advanced by 17 places from 108 to 81 in the ranking.

... and deeper ties with the EU ...

In 2009, Moldova was included into the EU's new Eastern Partnership (EaP). The initiative aims to step up EU engagement with the eastern neighbourhood. It offers to countries willing to conduct reforms Association Agreements, leading to free trade and visa-liberalisation with the EU ("more-for-more"-approach). The EU trade

39 Ibid., p. 373.

40 Interview with Wolfgang Behrendt, Head of Political and Economic Section of the Delegation of the European Union to Moldova, 20 February 2012.

41 *Government of Moldova 2010: Rethink Moldova ...*, p. 12.

42 *NIT 2011 ...*, p. 381.

43 *European Commission 2009: ENP Progress Report ...*, p. 8.

44 *Doing Business Report 2012: Doing business in a more transparent world*;
<http://www.doingbusiness.org/reports/global-reports/doing-business-2012>; last access 06.03.2012, p. 13.

commissioner explained the character of these agreements in his speech on future cooperation at the EaP meeting in Warsaw in 2011: "These Association Agreements will provide one of the most ambitious levels ever of political association between the EU and a foreign country. [...] They include a major trade component – a Deep and Comprehensive Free Trade Agreement or DCFTA in the jargon – which is the key driver for economic integration between the EU and the region." 45

Negotiations on an Association Agreement between the EU and Moldova, which would replace the expired PCA, started in January 2010 and proceeded well according to the Commission. 46 The next step, DCFTA negotiations, were announced in December 2011, as Moldova had adopted the laws necessary for further progress. The Republic of Moldova (in line with Ukraine) was also mentioned as a role model for other countries as the progress on its Action plan for visa liberalization is concerned. 47 In addition to existing EU funding, the AIE government was highly successful in attracting support for its reform programme during a presentation in Brussels to a larger group of development agencies, organised by the European Commission and the World Bank. The donors subsequently promised to support Moldova with € 1,9 billion in the course of the next four years, of which € 550 million will come from the EU. 48

..., but still doubts remain

However, despite clear progress, some drawbacks remain. In December 2009 it was announced that the license of the pro-PCRМ TV-channel NIT would not be renewed, what would have led to a suspension of its programme (it was renewed later on). 49 In summer 2010 the coalition tried to resolve the political deadlock caused by the lack of a presidential majority in parliament by changing the rules of presidential election back to popular vote. This attempt only failed because the quorum of the constitutional referendum, which would change the rules, was not met. Changing the constitution to solve a short-term political crisis seems short-sighted, especially as it was done in an improper way: As the new rules could have easily led to a situation of *cohabitation*, it is difficult to see how such a change would have led to a systematic rather than only a situational improvement of the political stability of the country. A further actually conducted change of the mandate allocation method for parliamentary elections favouring smaller parties (like the Alliance-parties) shortly before the elections was, according to the OSCE, a violation of the Venice

45 *De Gucht, Karel* 2011: EU trade policy looking East; <http://europa.eu/rapid/pressReleasesAction.do?reference=SPEECH/11/625&format=HTML&aged=1&language=EN&guiLanguage=en>; last access 06.02.2012, p. 3.

46 *European Commission* 2009: EU-Moldova Cooperation Council, www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/er/112025.pdf; last access 06.03.2012, p. 2.

47 *Council of the European Union* 2011: Joint Declaration of the Eastern Partnership Summit, Warsaw, 29-30 September 2011; <http://www.easternpartnership.org/announcement/joint-declaration-warsaw-eastern-partnership-summit-warsaw-29-30-september-2011>; last access 06.03.2012, p. 4.

48 *European Commission* 2011: Progress Report ..., p. 9.

49 *NIT* 2011 ..., p. 80.

Commission's Code of Good Practice in Electoral Matters.⁵⁰ Drawing on Renner's analysis that it was typical for the PCRM to take "landmark decisions with long-term implications [...] without consulting the opposition",⁵¹ the handling of these problems by the AIE aroused unpleasant memories.

There was also no tangible progress as the fight against corruption is concerned. Transparency International's corruption perception index ranked Moldova in 2010 still only 105th, behind countries like Kazakhstan and Liberia, and it fell further to place 112 in 2011 (notably with the same overall score).⁵² At the same time, Moldova's EaP-peer Georgia was praised by the World Bank as an unique example of the fight against corruption, listed as the number one reformer in the ranking.⁵³

Implementation of the new decentralization strategy started in spring 2010, however, the process lacked the necessary resources and attention to progress thoroughly. Regarding the scores allocated to Moldova in the last Nations in Transit Report by Freedom House for 2011, almost all scores saw a slight improvement, but local democratic governance was still stuck at the all-time low reached after the PCRM reforms.⁵⁴ Plans already exist to tackle this problem which is, however, not only political but also practical as poor local structures hamper progress. Still, as structural reform was limited, there was at least a change in the way of dealing with the status quo, as central authorities are less distributing funds according to political criteria and showed a more balanced approach.⁵⁵

In sum, even though areas of concern remain, the AIE seems to have accomplished a clear change in Moldovan politics during the last two and a half years. The government did not only manage to re-liberalise the political climate, but also grasped the momentum to obtain the external help that the country needs for its reform processes. Nevertheless, also this government has to be judged by its record and not by its label. Taking into account the instance of the constitutional referendum, the EU has to be careful to not apply double standards on the former and the current government. So far, however, it appears that the political will for change exists and that it is often also technical problems limiting success.

50 *European Commission* 2011: Progress Report ..., p. 4.

51 *Renner, Martin* 2010: Moldova at the Crossroads – Political Struggle in 2009 and EU-Perspectives, in: *Südosteuropa Mitteilungen*, 50 (2), p. 33.

52 *Transparency International* 2011: Corruption Perception Index; <http://cpi.transparency.org/cpi2011/results/>; last access 06.03.2012.

53 *The World Bank* 2012: Fighting Corruption in Public Services. Chronicling Georgia's Reforms; <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/ECAEXT/GEORGIAEXTN/0,,contentMDK:23076586~pagePK:141137~piPK:141127~theSitePK:301746,00.html>; last access 06.03.2012.

54 *NIT* 2011.

55 Interview with Leonid Litra, Deputy Director, IDIS Viitorul in Chişinău, 6 March 2012.

Conclusions

Considering the political developments since summer 2009, Moldova has witnessed some clear and meaningful change when compared with the years before.

The former PCRM government had already initiated key reform processes and took the initial steps towards European integration. It had a good record in trade-related reform areas as well as in other technical fields such as its cooperation with the EU border assistance mission (EUBAM), patrolling the inner Moldovan border with Transnistria. In contrast, it consistently violated principles of rule of law, human rights and fundamental freedoms stressed by the EU as the basis of the ENP.

The current AIE government has followed the path of the Voronin administration, as it has managed to boost cooperation in trade related areas. However, it has also improved media freedom, the freedom of association, and the rule of law. This qualitative change over the last two and a half years has helped the country to regain credibility with its neighbours (for example the visa-regime towards Romanian citizens was abolished) and international donors, making it a more attractive partner for financial support and foreign investment.

Compared with the 1990s, so far, both the stability and the attitude of the government as well as that of the EU seem to have changed. The AIE, after all, has remained surprisingly stable since 2009. It has survived two parliamentary elections, and saw the failed attempt of the 'Our Moldova Alliance' to pass the parliamentary threshold in 2010. It endured the tensions created by Liberal Party leader Ghimpu during 2010 due to his anti-Russian politics, while maintaining his support for the coalition even after he had lost his office as speaker of parliament. Equally, the 'President-in-waiting' Marian Lupu is now even committed to surrendering the office to an alternative candidate, to save the coalition from another parliamentary election.

Considering the consistently bad news from Moldova – like the conflict in Transnistria, gas and wine embargoes imposed by Russia, or the continued failure to elect a president –, it is easy to perceive the country as being in a constant state of crisis. However, drawing on some of the developments illuminated in this article, it becomes clear that at least since the start of the ENP in 2005, Moldova has progressed along a constant path of reform, even though this has seen alternating magnitude and speed.

The current government clearly shows enhanced performance in some key areas, and Moldova was rated as the top performer in the region, according to a recent cross-country comparison of the EaP.⁵⁶ However, even if this government were to

56 *International Renaissance Foundation* 2011: European Integration Index for Eastern Partnership Countries; http://www.irf.ua/index.php?Itemid=519&layout=blog&option=com_content&view=category&id=273; last access 06.03.2012.

fail, it seems improbable that a new government would leave the road that has been taken over the last few years. As both political camps have accumulated some good credentials in reform, the current peak in international support and attention seems set to guarantee further progress for Moldova, despite lacking a clear perspective for EU-membership.