



# Is it a new Moldova?

## Event report

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On July 15, CEPS hosted **Moldovan Foreign Minister and former CEPS researcher Nicu Popescu** in house for an event giving an account of the new politics of Moldova following a major constitutional crisis, and an unexpected coalition of the pro-Russian Socialist party and pro-European ACUM party group. The central question as posed by **Associate Senior Research Fellow Michael Emerson** was: the domestic and geopolitical scene set, are we now seeing the transformation of a new Moldova? The two discussants included **Carnegie Europe's Thomas de Waal and Director at the Secretariat of the Eastern Partnership Civil Society Forum Natalia Yerashevich**. The discussion was followed by a Q/A period.

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## Speakers' summaries:

Minister Popescu launched the event by addressing why Moldova's pro-European forces and the pro-Russian Socialists were able to create a coalition. It is "**symbolic politics at play,**" and ultimately, a signal to the international community that Moldova is prepared to transition to a progressive government, whose main task is to fight corruption, while avoiding tensions with Russia and implementing DCFTA commitments.

The first and foremost priority of the government, however, is to "clear out" corruption in law enforcement agencies and the courts<sup>2</sup>, as well as improving the business environment for investment and trade – much of Minister Popescu's dialogue through the event focused on this.

As such, all members of government have agreed **1) to not revise any preexisting international partnerships, such as the DCFTA 2) to neither engage security cooperation with post-Soviet states nor to aim at membership of NATO**. On the first point: Minister Popescu maintained that Moldova's political and economic reality is such that no internal or external political source can question its relationship to the EU.<sup>3</sup> In fact, the "foundation of the coalition" is to continue integrating with the EU. Furthermore, Moldova negotiating for trade access in the Russian market will not change this geopolitical reality. Moving forward, the new coalition will strive to attract financial support from the EU in order to support its business environment; raise quotas as set by the DCFTA; and relaunch high level advisory groups to accelerate the state reformation process, including a full spectrum analysis of cooperation with the EU on cyber resilience and inter-institutional cooperation. Vis-à-vis Russia, the new coalition will strive to re-open the Russian market to Moldovan goods and cooperate on energy (i.e. renegotiate with Gazprom). A key challenge will be to make Moldova "**less dependent**" on gas coming from Russia by diversifying, for instance, to pipelines in Romania.

As the first discussant, **De Waal** posed the following questions and comments:

- Emigration and de-population are one of the most significant issues of Eastern Europe. What is the new coalition's plan to bring some of these people home?
- De Waal believes Moldova's handling of the Transnistria conflict is a good example to be emulated in other conflicts in Eastern Europe. So far, there has been pragmatic cooperation between the Moldovan and Transnistrian governments on issues of the Latin script schools, student exchanges, infrastructure, number plate recognition, etc. But can this pragmatic cooperation be maintained without the former "oligarchic" and informal agreements of the past, especially on issues of the black economy?

**Minister Popescu** conceded that Moldova is still delicate on the "**geopolitical balance**" – there is roughly the same percentage of population support for the EU as there is for Russia. Thus, the new coalition does not expect to move very fast on major political deals with Transnistria beyond low level engagement projects and concrete deliverables. He contended that Transnistrian elites "declare one thing" but "in reality,

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<sup>2</sup> Moldova is currently the 117 least corruption nation out of 175 countries, according to the 2018 Corruption Perceptions Index reported by Transparency International.

<sup>3</sup> Minister Popescu emphasized the volume of trade between Moldova and the EU, nearing 70%.

they are as dependent on the EU as the rest of Moldova is.” This, in turn, serves the central goal of re-integrating Moldova with the EU, creating jobs, improving the overall business and governmental environment, and re-attracting the diaspora back to Moldova. There exists currently a “roster” for the diaspora to address micro-level issues, such as where to find jobs. But on the macro-level, diasporic reintegration is tied with the **success of economic and governmental reform** and its ability to provide incentives.

As the second discussant, **Yerashevich** posed the following question and comments:

- Yerashevich’s first observation regarding the “silent revolution,” is the new coalition is built on competing geopolitical interests. How does this affect the sense of consensus and unity in the population?
- She recommends Minister Popescu prioritize communication to keep the population from becoming “disenchanted,” in that the new coalition must effectively convey what is possible for reform outcomes.
- Currently, it seems the EU, the United States, and Russia are all on the same side – but it is vital that Russia does not “derail this process” in the future.
- Finally, support to Moldovan civil society must be values-based.

**Minister Popescu** responded that indeed, civil society is critical to Moldova’s reform, and that the way to build societal trust is to give society “perspective” on the reform of the economy, democratic institutions, the judiciary, etc. He also pointed out that while numbers in Moldova are currently divided East-West, those that want rapprochement with Russia **are not necessarily anti-Western** (and vice versa). According to Minister Popescu, 80% of the population want good relations with Russia, Ukraine, the EU, China, etc. – ultimately, the perspective is to “avoid geopolitical storms.”

### **Q/A Session:**

#### **On Moldova, the Eurasian Economic Union (EAEU), and Russian troops stationed in Transnistria?**

- **Minister Popescu** clarified that Moldova has only received observer status in the EAEU, meaning Moldovan representatives attend the summits but do not participate in deliberations. The status has no legal effect and does not change the “day-to-day” cooperation on issues of trade, for instance, between Moldova and Russia. Membership in the EAEU is “completely” out of the question (as is an enhanced partnership with the Collective Security Treaty Organization) and would be “**suicidal**” choice for Moldova’s economy—indeed, a choice that does not currently even have parliamentary majority. Moldova will continue to press for the immediate withdrawal of the Russian military operatives and armaments present in Transnistria.

#### **On why Russia supports the new coalition?**

- **Minister Popescu** maintained that he is not in a position to comment on either Socialist Party decisions or why Russia supports the new coalition—making a quieter, amused remark into the microphone saying, “but talk to me afterwards [off the record].” He did, however, concede that if anything, “Russians were against the coalition of Socialists and the Democrats.” Currently, there is very little “mutual pressure” between members of the new coalition as **neither is in a position to press the other on any sensitive issues**, including Transnistria. The working assumption is “small steps,” dialogue-based communication, and **restraint**.

## Concluding remarks:

Spring boarding off the question of Moldova's future within the Eastern Partnership given its milestone tenth anniversary and discussions about an "Eastern Partnership 2.0"<sup>4</sup> **Minister Popescu** declared the forum to be a definite success,<sup>5</sup> given channels of dialogue with the EU are now "irreversible." But given Moldova's deep and systemic institutional, societal, and economic challenges it is clear that they have been failing to implement Association Agreement objectives. Before striding ahead focused on deliverables beyond 2020, therefore, Minister Popescu will aim to 1) **use the Association Agreement platform to the full extent** 2) by extension, **more effectively enforce and implement what has already been agreed to with the EU.** His concluding remarks are part and parcel of a larger assertion amongst the Eastern Partnership community, policymakers, think tanks, and EU leaders that **there is still work to be done**, especially as the prerogative of the Eastern Partnership countries.<sup>6</sup> With the EU having provided a solid framework for best practices, funds, and tools, it is now the responsibility of the Eastern Partnership countries to develop comprehensive strategies towards reform.

*This publication is prepared within the framework of the core support programme to CEPS-led 3DCFTAs project, enabled by the financial support from Sweden.*

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<sup>4</sup> Cf. <https://www.ceps.eu/the-eastern-partnership-at-10/>

<sup>5</sup> Minister Popescu specifically cited its success in bolstered trade, visa-free travel, and liberalized air travel between Moldova and the EU.

<sup>6</sup> Cf. <https://eap-csf.eu/brussels-public-event-series-trade-digital-economy-and-harmonization-of-digital-markets/> EaP CSF Brussels Public Event Series (05/06): The civil society perspective: Taking stock of the 10 years of the EaP policy and strategizing for post-2020 – Trade, Digital Economy, and Harmonization of Digital Markets. June 5, 2019. Brief available and forwarded to Steven Blockmans.