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Gernot Erler, MP, President Southeast Europe
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Key Note

Dr. Igor Corman
Botschafter der Republik Moldau

Sehr geehrter Herr Vorsitzender Erler,
Sehr geehrte Frau Abgeordnete Nolte,
Sehr geehrte Damen und Herren,

Zuerst möchte ich der Südosteuropa-Gesellschaft und dem Auswärtigen Amt der Bundesrepublik Deutschland meinen Dank für die Ausrichtung dieser Konferenz aussprechen. In der Republik Moldau werden die Aktivitäten des von der Südosteuropa-Gesellschaft mit Unterstützung der Bundesregierung initiierten Projektes „Eine europäische Perspektive für die Republik Moldau“ mit großer Aufmerksamkeit verfolgt. Die internationale Konferenz in Niederpöcking im Januar dieses Jahres stieß auf lebhaftes Interesse in unserem Land. Dieses besondere Interesse spiegelt sich auch in der Teilnahme zahlreicher Experten an dieser Konferenz wider.

Wir sind der Meinung, dass die Ergebnisse dieses Projektes dazu beitragen, Möglichkeiten zur Beschleunigung des Modernisierungs- und Europäisierungsprozesses unseres Landes auszuloten. Für uns sind das zwei Seiten der gleichen Medaille. Die immer größere Aufmerksamkeit und Unterstützung, die uns Europa und vor allem Deutschland in diesen Prozessen entgegenbringt, freut uns sehr. In diesem Zusammenhang sei nur der am 6. Mai dieses Jahres vom Bundestag verabschiedete Antrag, "Den Weg zur Einigung und Demokratisierung in Moldau zu unterstützen" erwähnt. Ich möchte unseren großen Dank an Frau Abgeordnete Nolte und an alle deutschen Abgeordneten richten, die aktiv den Antrag unterstützt haben. Ein beredtes Beispiel ist auch das Projekt der Südosteuropa-Gesellschaft.

Die Einladung, an dieser Konferenz teilzunehmen und einige der in der Republik Moldau im Rahmen des Transformationsprozesses gesammelten Erfahrungen und erreichten Erfolge darzulegen, habe ich gern angenommen. Im folgenden möchte ich bestimmte Aspekte beleuchten, die eher allgemeinerer Natur sind. Dies aus zwei Gründen. Zum einen wurde der Transformationsprozess in unserem Land bereits in mehreren aktuellen Dokumenten internationaler Organisationen, so des Europarates, des Internationalen Währungsfonds, der Weltbank und der Europäischen Bank für Wiederaufbau und Entwicklung evaluiert, die tiefgehende Analysen zu den Entwicklungen in den verschiedenen Bereichen veröffentlicht haben. Des Weiteren hat die Europäische Kommission am 12. Mai 2004 ihren Bericht über die Republik Moldau im Rahmen der Europäischen Nachbarschaftspolitik veröffentlicht, der den Transformationsprozess in unserem Land zum Inhalt hat. Zweitens werden diese Fragen eingehend von den Experten im Verlauf des morgigen Tages im Rahmen der Politik- und Wirtschaftspanel diskutiert.

Wie Sie wissen, hat die Republik Moldau ihre Unabhängigkeit im Jahr 1991 verkündet. Unser Volk hat so seinen Willen zum Ausdruck gebracht, seine Zukunft eigenverantwortlich zu bestimmen und eine freie, moderne und prosperierende Gesellschaft aufzubauen. Die Unabhängigkeitserklärung war in gewisser Weise der erste Schritt zur politischen Integration unseres Landes in Europa, dem wir geographisch und kulturell schon immer angehörten. In den vergangenen Jahren konnten wir bestimmte große Erfolge erzielen können, haben

Erfahrungen und Wissen gesammelt. Andererseits bestehen weiterhin große Probleme vor allem im wirtschaftlichen und sozialen Bereich. Unser Land zählt zu den ärmsten Europas. Beobachter bemerkten, dass Moldau zu Beginn des Transformationsprozesses zu den führenden Ländern gehörte, dann aber z.B. hinter den baltischen Staaten, die am 1. Mai diesen Jahres der EU beigetreten sind, zurückblieb.

Ich persönlich bin hinsichtlich der Zukunft unseres Landes optimistisch und würde zu den bisher im Rahmen des Transformationsprozesses erzielten Ergebnissen sagen, dass das Glas halbvoll ist.

Dieser Optimismus gründet auf folgenden wichtigen Erfolgen:

- In erster Linie sind die Prozesse der Demokratisierung, Modernisierung und Europäisierung unumkehrbar. Ich glaube, dass es von entscheidender Bedeutung ist, dass ein Volk weiß, zu welchen Werten es sich bekennt, welche Ziele es verfolgt und was für eine Gesellschaft es aufbauen möchte. In unserer Gesellschaft gibt es dahingehend einen Konsens.
- Zweitens erfolgte in relativ kurzer Zeit der Übergang von einem totalitären politischen zu einem demokratischen System, in dem mehrere Parteien mit unterschiedlichen Doktrinen im Wettstreit stehen und in dem die Menschen ihre Meinung frei äußern können. 1994 wurden diese Werte vom Parlament in der neuen Verfassung verankert.
- Drittens hat sich in der moldauischen Gesellschaft bereits ein Konsens hinsichtlich der Effizienz der marktwirtschaftlichen Mechanismen und des privaten Unternehmertums gebildet. Die Menschen haben verstanden, dass private Initiative, harte Arbeit und mehr Leistung auch zusätzliches Einkommen bringen muss und bringt.
- Viertens spiegeln die Statistiken der letzten drei Jahre ein Wende zum Besseren hinsichtlich der wirtschaftlichen Entwicklung des Landes wider. Sie bestätigen ein stabiles jährliches Wirtschaftswachstum von über 6 Prozent (2002 – 7,2%) und substanzielle Fortschritte bei der Stabilisierung der Volkswirtschaft. Dies stellten auch die internationalen Gremien fest.
- Fünftens wurden konkrete Maßnahmen ergriffen. So wurden die Strategie für Wirtschaftswachstum und Armutsbekämpfung, die Nationale Strategie zur Korruptionsbekämpfung, der Nationale Aktionsplan zur Bekämpfung von Menschenhandel usw. verabschiedet. Diese Dokumente stellen einen wichtigen Rahmen für die Tätigkeit der Regierung zur Lösung der bestehenden Probleme dar.

Da die europäische Integration ein vorrangiges strategisches Ziel unserer Außen- und Innenpolitik ist, werden die oben erwähnten Maßnahmen durch die Zusammenarbeit mit der EU und durch die Angleichung an die Gemeinschaftsstandards noch zusätzlich untermauert.

Die Bedeutung dieser Erfolge kann angesichts der Ausgangslage und der spezifischen Bedingungen unseres Landes gar nicht unterschätzt werden. Viele Dinge müssen jedoch noch geschaffen werden. Die Liste der Empfehlungen von Seiten der oben genannten internationalen Organisationen ist in diesem Sinne aufschlussreich. Das Glas ist jedoch nur halbvoll, weil es noch nicht gelungen ist, ein nachhaltiges Wirtschaftswachstum und ein

angemessenes Lebensniveau für alle Bürger des Landes zu gewährleisten. Trotz bestimmter Erfolge bleibt die Armut weiterhin ein akutes Problem. Wir müssen noch viele soziale Fragen lösen, so auch das Problem der Abwanderung hochqualifizierter Arbeitskräfte, der Fortführung der Justizreform, der Korruptionsbekämpfung, des Menschenhandels, der Stärkung der institutionellen Fähigkeiten des öffentlichen Sektors, der Entwicklung des privaten Sektors, der Verbesserung der Bedingungen für ausländische Investitionen u.a. Das größte Problem, und das ist ein enormes Hindernis für die Entwicklung unseres Landes, ist der Transnistrien-Konflikt. Das Thema wurde diese Woche in Berlin auch in Rahmen des Besuches des moldauischen Ministers für Re-integration, Vasile Sova, ausführlich diskutiert. Trotz beachtlicher Anstrengungen in jüngster Zeit bleibt die Beilegung dieses Konfliktes äußerst kompliziert.

Wie ich eingangs bereits erwähnte, sind für uns die Modernisierung und die Europäisierung Moldaus zwei Seiten der gleichen Medaille. Allein, indem wir eine freie und demokratische Gesellschaft aufbauen, die marktwirtschaftlichen Mechanismen in unserem Lande stärken und die Standards und die Gesetzgebung an die Europas angleichen, können wir Wohlstand für alle Bürger und das Land insgesamt schaffen. Die Verwirklichung dieser Ziele wird gleichermaßen und auf natürliche Weise auch zu unserer Integration in Europa, zum Beitritt Moldaus zur Europäischen Union führen.

Die strategische Ausrichtung auf die europäische Integration zeichnete sich endgültig im Jahr 2002 ab, als die Nationale Kommission für Europäische Integration geschaffen wurde sowie die Konzeption für die Integration der Republik Moldau in die Europäische Union ausgearbeitet und der Europäischen Union vorgestellt wurde. Ich bin der Ansicht, dass sich die moldauische Gesellschaft darüber bewusst wird, dass die Verwirklichung der politischen, ökonomischen und sozialen Reformen nicht Selbstzweck ist, dass sie nicht lediglich dem zukünftigen Beitritt zur EU dienen. Es ist wichtig, dass verstanden wird, dass eine Zukunft in Wohlstand nur gesichert werden kann, wenn die Werte und Prinzipien, auf denen sich die westlichen Gesellschaften, vor allem die europäischen Demokratien gründen, verinnerlicht und gelebt werden. Die von der EU 1993 festgelegten Kriterien von Kopenhagen als Beitrittsbedingungen für die EU müssen für uns eine Richtschnur bei der Formulierung und Verwirklichung der staatlichen Politiken sein, welche die Prosperität unseres Landes und die Schaffung einer Gesellschaft europäischen Typus gewährleisten. Diese Kriterien sind nicht nur für die Länder von Nutzen, die der Union beitreten wollen, sondern auch für all jene Länder, die sich schnell entwickeln wollen und Wohlstand für alle Mitglieder der Gesellschaft anstreben.

In diesem Zusammenhang ist meines Erachtens der Aktionsplan EU - Moldau von größter Bedeutung, zu dem die Seiten am 15. Juni dieses Jahres Konsultationen führten und der in Kürze unterzeichnet werden wird. Auch wenn uns nicht alle Bestimmungen dieses Dokuments voll zufrieden stellen - wir hätten uns mehr gewünscht, als uns die EU im Augenblick zu bieten vermag - ist es wichtig, dass die strategischen Ziele der Kooperation zwischen der Republik Moldau und der EU für die kommenden drei Jahre festgelegt wurden. Diese Ziele beruhen auf dem Bekenntnis zu den gemeinsamen Werten sowie auf politischen, ökonomischen und institutionellen Reformen. Ich glaube, dass dieser Plan für das Schicksal der Transformation in unserem Land von besonderer Bedeutung ist. In der Verwirklichung dieses Planes sehen wir gleichermaßen auch die Vorbereitung für Beziehungen auf höherer Ebene mit der EU, die in eine assoziierte Mitgliedschaft unseres Landes münden können.

Das Dokument legt fest, was die EU unserem Land im Rahmen der Europäischen Nachbarschaftspolitik bietet und dies ist sehr wichtig. Moldau wurde aufgefordert, intensivere Beziehungen im Bereich Politik, Sicherheit, Wirtschaft und Kultur mit der EU aufzubauen sowie die grenzüberschreitende Zusammenarbeit und die Kooperation bei der Vermeidung und Befriedung von Konflikten zu verstärken. Die Beziehungen Moldaus zur EU sollten auf dem Weg der Zusammenarbeit zu einer stärkeren Integration führen, die auch den Zugang zum EU-Binnenmarkt einschließt. Das Dokument hat meines Erachtens auch insofern eine sehr große Bedeutung, weil es eine ganze Reihe von Richtlinien enthält, die für die Formulierung und Verwirklichung der Politiken in den kommenden Jahren maßgebend sind. Zu den festgelegten, auf Kontinuität beruhenden Zielen, die das Erreichte in Moldau konsolidieren sollen, gehören die weitere Sicherung der Stabilität und Effizienz der demokratischen und rechtsstaatlichen Institutionen, die Konsolidierung der Presse- und Meinungsfreiheit, die Förderung von Strukturreformen, die weitere Verbesserung des Geschäftsklimas u.a. Die Tatsache, dass es sich um ein gemeinsames Dokument der Republik Moldau und der EU handelt, beweist, dass die moldauische Regierung die Aufgabe der Erfüllung dieser Ziele übernommen hat.

Ein vorrangiges Ziel für die innere Entwicklung unseres Landes, auch mit Blick auf unsere Bemühungen um die europäische Integration, ist die dauerhafte Lösung des Transnistrien-Problems, bei der die territoriale Integrität der Republik Moldau und die Lebensfähigkeit des Staates gewahrt bleiben muss. So ist auch die neue Initiative des Präsidenten des Landes hinsichtlich eines Stabilitäts- und Sicherheitspakts für die Republik Moldau auf die Konsolidierung des Staatswesens sowie auf die Suche und Koordinierung von Lösungen für die Transnistrien-Frage ausgerichtet. Wird das Transnistrien-Problem nicht beigelegt, ist dies aus mehreren Gründen ein großes Hemmnis auf dem Weg zur europäischen Integration. Es handelt sich hier um die Präsenz ausländischer militärischer Kräfte auf dem Hoheitsgebiet der Republik Moldau, um das Fehlen einer integeren Kontrolle der Ostgrenze sowie um das Unvermögen, einen einheitlichen Zollraum zu schaffen. In diesem Zusammenhang sehen wir den Beitrag, den alle beteiligten Akteure, vor allem jedoch die EU, leisten können, als außerordentlich wichtig an.

Das Fehlen eines konstruktiven Herangehens von Seiten der separatistischen Behörden in Tiraspol, die in der Schaffung einer Staatenunion auf konföderalistischer Grundlage mit dem Recht auf Abtrennung mündet, was jüngst bei den Verhandlungen bekräftigt wurde, zeigt, dass Tiraspol nicht die Beilegung des Konfliktes anstrebt, sondern den Verhandlungsprozess ins Unendliche hinauszögern will, um unter diesem Deckmantel seine mafiösen Interessen weiterverfolgen zu können. Unter diesen Umständen hängt die Lösung des Problems davon ab, wie es die Vermittlerstaaten und die OSZE vermögen, produktiv zusammenzuarbeiten, um das obstruktive Verhalten der Tiraspoler Führung zu überwinden. Wir begrüßen die Verlängerung der Reisebeschränkungen, die der transnistrischen Führung von Europäischer Rat auferlegt wurden und optieren für zusätzliche Zwangsmaßnahmen, um die von der internationalen Gemeinschaft angestrebten Ergebnisse zu erreichen.

Diese Aktionen sind auch nötig, um die vom separatistischen Regime kontrollierte Region zu demokratisieren. Die provozierende Haltung des Smirnov-Regimes zu den menschlichen Grundfreiheiten sind den internationalen Gremien wohlbekannt.

Wir schätzen den Willen der EU sehr, ihren Einfluss bei der Beilegung dieses Problems zu verstärken. Das spiegelt sich im Entwurf des Aktionsplan Republik Moldau - EU und in den

am 14. Juni verabschiedeten Schlussfolgerungen des Europäischen Rates zur Republik Moldau wider. Damit die EU ihr Interesse, eine sichere Grenze in der Region zu haben, wahren kann, sollte sich die EU aktiver in den Prozess zur Regelung dieses Konfliktes, dann in die Garantierung den in diesem Sinne zu schließenden Vertrag und in die Umsetzung des Rehabilitierungsprogramms nach Beendigung des Konflikts einbringen.

Die Erfolge auf der rechten Seite des Dnjestr haben direkten Einfluss auf die Lösung des Transnistrien-Problems. In diesem Sinne wäre die klare Perspektive der europäischen Integration, freier Handel mit der EU, die Liberalisierung des Visaregimes und viele andere Möglichkeiten, die der Republik Moldau geboten werden, auch für die Region auf der linken Seite des Dnjestr attraktiv. Folglich bedeutet die Unterstützung des Transformationsprozesses der Republik Moldau und die Annäherung des Landes an die EU auch, den Prozess um die Beilegung des Transnistrien-Konfliktes zu befördern.

Sehr geehrte Damen und Herren,

Zum Abschluss möchte ich an meinen zum Ausdruck gebrachten Optimismus, dass sich die Republik Moldau zu einer modernen europäischen Gesellschaft entwickeln wird, anknüpfen und noch einmal den aufrichtigen Willen unseres Landes, auf diesem Wege voranzugehen, bekräftigen. Uns ermutigt die Tatsache, dass es entwickelte Länder und Organisationen in der Welt gibt, die ihre Erfahrungen ehrlich mit uns teilen und uns unterstützen. Wir bauen auf die europäische Hilfe, die Unterstützung Deutschlands und warten auf klare Signale und konkrete Maßnahmen in diesem Sinne. Wir sind uns natürlich auch bewusst, dass der Erfolg der Transformation in der Moldau in erster Linie von unserer eigenen Entschlossenheit, unserem Vertrauen in die eigenen Kräfte und unserer harten Arbeit abhängt.

Moldova: Poverty Reduction Policies

Dr. Anatol Gudim, Center for Strategic Studies and Reforms, Chisinau

The transition from a planned economy to a market economy did not only offer the Moldovan population possibilities unknown before but also, at the same time, created a lot of serious and unexpected problems. The new Constitution of the Republic of Moldova (1994) is aiming at the creation of “a market-, socially-oriented economy”. And the state has made attempts to regulate the labour market, to reform the social sphere and the social assistance system. The implementation of reforms and recommencement of the sustainable economic growth is being complicated by the government’s political instability. The majority of the population solves the problem of incomes and risks on its own. Despite the fact that a part of the population profited by the reforms, the country’s average welfare indicators have dropped sharply; inequity in incomes has grown and the poverty zone has abruptly expanded – according to the official statistics more than 40% of the population lives below the absolute threshold of poverty¹.

Transition: unjustified social expectations

Both for the Government and the population, the beginning of the transition was marked by the general expectation of quick changes for the better. Thus, a programme approved by the Parliament (1991) expressed hope that “it is expected that the complicated path of transition towards the market will be passed as quickly as possible – about 1.5 – 2 years”².

This forecast turned out to be far from reality. The country – having experienced three presidents, four parliaments and nine cabinets - implemented a certain set of reforms (macroeconomic stabilisation, property reform, privatisation of enterprises, land and dwellings, etc.). In 1997 and later, after the regional financial crisis in 2000-2004, the GDP growth recommenced but the scale of the poverty zone turned out to be much bigger than one could assume at the beginning of the transition.

Successive economic shocks that followed – loss of workplaces, wage and pension arrears, hyperinflation that destroyed savings and destruction of the social assistance system – made many people feel vulnerable, feeble and unable to plan their own future. The fact that many people had lost their social role and status made them lose the feeling of being affiliated with the society, emigrate and search for work abroad. Given the lack of any considerable middle class stratum, there is polarisation of political preferences in favour of ultra-leftists and ultra-rightists.

Relay race of nine cabinets (1990-2004): actions, results and problems

According to opinion polls, most people in Moldova have thought that it is the state (government, politicians) that is to blame for their distress: “the state initiated the reforms and it has to be the one who accounts for their results”. This is true, indeed. The state should use

¹ Economic Growth and Poverty Reduction Strategy Paper (2004-2006), Government of the Republic of Moldova, Chisinau, May 2004.

² Programme on Transition to the Market Economy, Parliament of the Republic of Moldova, Chisinau, November 1991.

the economic and social instruments to promote entrepreneurship, especially the SMEs sector, create new work places in industry, agriculture and services after their privatisation, strengthen the tax discipline, attract investments, i.e. render work to the economically active population on the one hand and to improve the targeting of social assistance to the most indigent strata of the population on the other hand.

Having no experience in the transition from socialism to capitalism, the nine successive Moldovan cabinets, as well as the International Monetary Fond (IMF) and World Bank (WB) experts, used the cut-and-try method during the post-Soviet period. These actions, as one can see from the tables 1 – 3, have lead to a rather contradictory outcome.

Unfortunately, the government still fails to formulate an integral concept of social policy under new conditions and, first of all, state policies on employment and development of a labour market, and secondly, to create an efficient pro-poor social assistance system. The main positive results of the government's activity are shown in the following: regulating and increasing of wages on the budgetary sector, elimination of wage and pension arrears; reformation of the pension system; introduction of mandatory health insurance, institutional reorganisation of education and healthcare. Attempts are being made to recommence the state dwelling construction programme and to reconstruct systems of energy and water supply of settlements.

In the meantime, the economic growth resumption (GDP growth was 23.9% from 2000 to 2003) still has neither any reviving effect upon the labour market, nor any restricting effect upon the poverty. The tendency of the employment reduction still lingers, while the unemployment rate (6.8 - 8.5% under the ILO methodology) is rather low since a considerable part of the economically active population shifted into the shadow economy or migrated.

The active phase of migration began in Moldova in the mid-90's at the same time as did the post-privatisation reorganisation of large state enterprises in industry and collective farms (kolkhozes and sovkhoses) in agriculture, which has led to the burst in hidden unemployment. One of its indicators is the fact that the wage earners/employees ratio has changed impressively from 72.9% in 1996 to 49.9% in 2003, meaning that half of those "employed in the national economy" are formally employees registered by the statistics but are actually absent from enterprises.

Migration is one of the most urgent problems in the relations between Moldova and the EU and Russia. Some 500 thousand to one million of the 4.3 million residents of Moldova (including Transnistria) are believed to be working abroad. Cyclic and seasonal migration prevails, which makes it difficult to evaluate the real scale of migration. Quarterly estimates of the Department of Statistics (Labour Force Survey) show 280 - 300 thousand migrants, while opinion polls unveil at least twice as much. The Moldovan Diaspora abroad has not been consolidated as yet.

The panorama of Moldovan migration, according to the ILO/Soros Foundation-Moldova study (2003)³, is quite colourful: one or more members of every third family are working abroad; 69.9% of migrants are male and 30.1% are female; 30.8% of them are urban and 69.2% are rural residents; 80.0% are between 25 and 40 years of age; only 1/3 of the total

³ Labor Migration and Remittances in Moldova, Alianta Microfinantare, Chisinau, March 2004.

number had no stable work in the home country; about 70.9% of the migrants left Moldova legally, the largest share of illegal migrants heading for the Mediterranean countries; employment of migrants abroad: constructions – 31.0%, agriculture, small production – 13.5%, domestic services – 30.9%, trade – 10.8% and no less than 10.0% of the female migrants are occupied in the sex industry; 95.0% of the migrants used to remit money to their families in Moldova.

The consequences of the labour force export for Moldova itself are very contradictory. On the one side, it's a dangerous weakening of the country's human resources potential (the outflow of more skilled and educated persons, the impact upon fertility and health). But on the other side, remittances, mastering of new skills and attainments, formation of Diasporas as future networks/channels for trade, capital and technology flows back to the home country, are positive facts as well.

According to estimates of the National Bank of Moldova, formal transfers grew extremely rapidly: from 20.9 million USD in 1995 to 109.8 million USD in 1999 and 463.7 million USD in 2003. And no less than 30-40% of transfers are informal. Thus, the annual amount of remittances now exceeds the average annual export of Moldova during the last five years (about 600 million USD) and it is equal to the total foreign direct investments over the whole transition period. It looks like the state was not ready to make use of this money. The lion's share of it was used by households of migrants for immediate consumption and only 10-12% was used for "investments in family" – education for children, purchase of dwellings, land and starting businesses. No structures or mechanisms were created to accumulate these funds with a view to investment. At the same time, the impact of remittances on the demand expansion, on the consumption spending and on import expansion (which was 1.7 times as much as the export in 2003), on currency depreciation, and pressure on prices is quite obvious.

However, the influence of remittances upon the poverty reduction and inequality elimination is insignificant. And their economic benefits mainly go to the higher quintiles of the population. Thus in 1997-2002, the V quintile has been steadily concentrating 48.4-49.0% of the total disposable income of households, while the lower, I quintile – only amounted to 3.9-4.6%. The improvement of the Gini coefficient was minor: 0.436 (1997) and 0.397 (2003).

Since April 2000, social assistance of the state to the poor in Moldova is based on the categories-based principle (11 categories of beneficiaries: invalids, families with many children, WWII veterans, etc.). Such an approach is better than the one based on privileges (12.0% of the population divided into 37 categories entitled to privileges), but the pro-poor social assistance targeting is still unsatisfactory. The CISR/Counterpart International, Inc. (2003) revealed that an "error of inclusion" in the array of beneficiaries of compensations is no less than 20%. And the poorest I quintile group of households disposes of 4.5% of the total value of compensation, while 39.2% of all the compensations fall on the V quintile of households. It should be added that the distribution of both non-pecuniary and humanitarian assistance, the main purpose of which is to provide support to those in extreme need, also has poor targeting – the households of V quintile receive by 13.1 times more of such an assistance than families of the poorest I quintile group⁴.

⁴ Social Assistance to Population through the Nominative Compensations, USAID/CISR, Chisinau, November 2003.

Various approaches to evaluate the real poverty level are known from the experience of other countries: by the “economic potential” of families (availability of a plot of land, surpluses of housing, a car, etc.), by the level of expenditures and others. Such approaches were tested, for example, in Hungary and Russia. In accordance with the estimate of the World Bank, the best example for developing a target system of social assistance is considered to be Chile’s experience – the Chilean system of social identification” (CAS), though the creation of it took a long time (1980-1987), huge financial resources, construction of a sophisticated information base and strengthening administrative capacities of the state system of social security.

It is difficult to predict when, in which way and at what speed the improvement of the system of social assistance in the Republic of Moldova will take place. There are too many constraints (funds deficit, informational gaps) and obstacles for “revealing” the poverty level – unstated incomes and assets, hidden employment, incomes in kind, etc. Of course, the best mechanism of social assistance should be a nominative compensation based on welfare estimate. But such an approach is unlikely to be realisable in Moldova in the nearest future, both for economic and political reasons. Therefore, the most preferable one seems to be a settlement by compromise: to improve the system of nominative assistance to certain categories of citizens and to gradually create legal, economic and organisational (administrational, informational, etc.) prerequisites for the transition to the system of social assistance on “needs” on the basis of a reliable estimate of means of subsistence (income and assets).

How quick the impending reformation of the social assistance system will be is up to the Government. It is most likely that the decisive phase will ensue after the next parliamentary elections in 2005. Taking this into account, the government disposes of the time for the preparatory stage to implant the principle of “needs-based assistance” into the current social assistance based on categories. In the course of time, after 2005, the importance of this “embryo” will turn out to be decisive during the transition to the mixed system at first (categories + needs) and later, to the needs-based system of social assistance, i.e. to the system fully aligned to persons who really need assistance of the state.

One more attempt: Economic Growth and Poverty Reduction Strategy

The politically unstable cabinets of the Republic of Moldova have been avoiding a wide public dialogue on the problems of poverty for a long time. It is indicative that none of the nine cabinets mentioned “overcoming poverty as a priority” in their activity programmes approved by the Parliament.

As it is well known, UN-affiliated organisations (UNDP, UNICEF, UNESCO) were the first who took note of the abrupt expansion of the poverty zone in the post-Soviet area and in the mid-90’s negatively evaluated the methodology and results of the collaboration of the IMF and WB with the CIS transition countries. In 1997, on the World Bank’s initiative and with its money, household budget surveys were developed in Moldova (Department of Statistics) and the problem attracted the attention of the Government and civil society. Three years passed and in April 2001, the Government issued an Interim PRSP that, unfortunately, was not a working paper (there was no emphasis, for instance, on the development of the real sector and private entrepreneur-ship as a driving force for economic growth, employment and the population income augmentation); nor was monitored the implementation of this pro-poor policy document.

Another three years passed and on the 4th of May 2004, the Government approved the final variant of the Economic Growth and Poverty Reduction Strategy Paper (EGPRSP)⁵ and sent it to the Parliament and World Bank for examination. The Government is now considering how the Parliament would approve the EGPRSP – as a law or as a resolution. It is important that it was the first time when the EGPRSP was elaborated by both state bodies and the NGOs. Its structure is logical: social and economic evolution; poverty assessments; objectives and priorities; strategy measures for poverty reduction; expected outcomes and risks; implementation, monitoring and evaluation; costs and linkage to the Ministry of Finance Medium Term Expenditure Framework. Furthermore, the EGPRSP would also be submitted to the UNDP, TACIS, USAID, SIDA, other partner agencies that would bring their technical assistance resources in line with the strategy. Being a guideline for future technical assistance programmes, the EGPRSP would secure the most needed and advantageous foreign aid. Special attention shall be given to the feasibility and clarity of the priority actions developed by the Government, as well as to the monitoring mechanism that would allow for an on-going improvement of the document.

The main thing now is to use the EGPRSP as a working instrument for Government activity. It is all the more important that the last years' practice is rich in actions of the Government contradicting the EGPRSP ideology, which negatively affects the business climate, situation of entrepreneurs and investors, local administration, labour market and quality of governance.

Policy remarks

The future position of the Republic of Moldova as an EU neighbour will mainly depend on the social and economic policies it pursues today. It seems that between 2000 and 2004, Moldova reached a turning point of its crisis: there was a growth of the GDP and certain sectors (industry, constructions, transport and services), export and incomes of the majority of the population. Certain problems remain unsolved, however: productive employment, elimination of mass labour migration, provision of comfortable conditions for entrepreneurship and investments, pro-poor targeting of social assistance, raising the quality of governance and counteracting the “takeover” of the state by private companies feeding the corruption in the administration system.

The best guideline for the Government of the Republic of Moldova in these circumstances is a series of consecutive actions to approach the Copenhagen criteria of the EU: first of all (i) stability of institutions providing for democracy, supremacy of law, human rights, respect and protection of national minorities and (ii) availability of a functioning market economy and ability to adapt to the European market competition.

The EGPRSP can be used as a framework document providing for the continuity of the social and economic policy of the next Moldovan cabinets in the mid-term perspective. The main task is to properly balance the stimulation of economic growth and to provide social protection.

In order to achieve this it is necessary to create a competitive private sector and labour market that would help the economically active population to handle the risks of the transition rather inside the country than outside. An improvement of the business climate and revenue

⁵ See: Economic Growth and Poverty Reduction Strategy Paper (2004-2006), Government of the Republic of Moldova, Chisinau, May 2004 (www.moldova.md).

collection and reduction of the economy's informal sector will help to strengthen the financial capacities of the state budget for employment insurance, provision of pensions, health insurance and pro-poor social assistance. The social policy also requires decentralisation and the development of mechanisms providing for temporary employment, social services and assistance on the local level.

The counteraction to social reforms can be overcome by strengthening the institutional deterrents and counterbalances limiting a voluntary execution of power and "takeover" of the state by certain interest groups, by widening the civil society's participation in political processes and mass media supervision, the formation of the public feeling of participating in reforms for the sake of the future of the people and the country.

Appendix (tables)

Table 1.

Moldova's Social and Economic Indicators

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Population - total, thousand persons	3680	3604	3599	3654	3652	3646	3639	3631	3623	3612
Economically active population, thousand persons	1699	1696	1686	1671	1809	1682	1655	1617	1615	1474
Employed population, thousand persons	1681	1673	1660	1646	1642	1495	1515	1499	1505	1356
Wage earners, thousand persons	1336	1287	1210	1127	1033	849	714	672	690	677
<i>as % of employed population, %</i>	79,5	76,9	72,9	68,4	62,9	56,8	47,1	44,8	45,8	49,9
ILO unemployment rate, %	...	...	...	...	9,2	11,1	8,5	7,3	6,8	7,9
Minimal consumer budget, USD	...	69,1	84,3	95,1	88,0	62,9	76,0	81,8	83,8	90,4
Nominal wage (monthly average), USD	26,7	31,9	40,7	47,5	46,6	28,9	32,8	42,3	51,0	67,6
<i>as % of minimal consumer budget, %</i>	...	46,1	48,2	50,0	52,9	46,0	43,2	51,6	60,9	74,7
Living subsitency, USD	...	...	...	...	...	...	...	36,4	39,7	45,0
Gini coefficient (coefficient of income concentration)	...	...	...	0,436	0,443	0,436	0,419	0,428	0,421	0,397
Funds from persons abroad, USD million	...	20,9	78,9	113,0	121,0	110,4	159,5	232,6	308,9	463,7
<i>as % GDP</i>	...	1,5	4,7	5,9	7,1	9,4	12,4	15,7	19,0	23,7
Real GDP year-on-year growth rate, %	-30,9	-1,4	-5,9	1,6	-6,5	-3,4	2,1	6,1	7,2	6,3
Nominal GDP, USD million	1165	1441	1694	1929	1698	1171	1288	1481	1624	1958
GDP per capita, USD	323	400	471	537	473	327	354	408	448	541
Exports of goods (fob), USD million	618	739	823	890	644	474	477	567	660	806
Imports of goods (fob), USD million	672	794	1075	1238	1032	611	770	880	1038	1429
Trade balance, USD million	-54	-55	-252	-348	-388	-137	-294	-313	-378	-622
Foreign direct investments (net yearly flows), USD million	18	73	24	78	76	38	136	146	116	58
State external debt, USD million	506	659	766	1005	1003	935	1022	955	987	1008
State internal debt, Lei million	270	477	737	984	1572	1910	2022	2400	2821	2920
Inflation rate (end of period), %	104,6	23,8	15,1	11,2	18,3	43,7	18,4	6,3	4,4	15,7
Annual average exchange rate, Lei/ USD	4,07	4,50	4,60	4,62	5,37	10,52	12,43	12,87	13,57	13,94

Source: National Bank of Moldova, Department of Statistics and Sociology, CISR

Note: Data are presented without information from Transnistria

Information on external sector (funds from persons abroad, export, import, FDI) are presented according Balance of Payments, NBM

Funds from persons abroad include both workers remittances and compensations

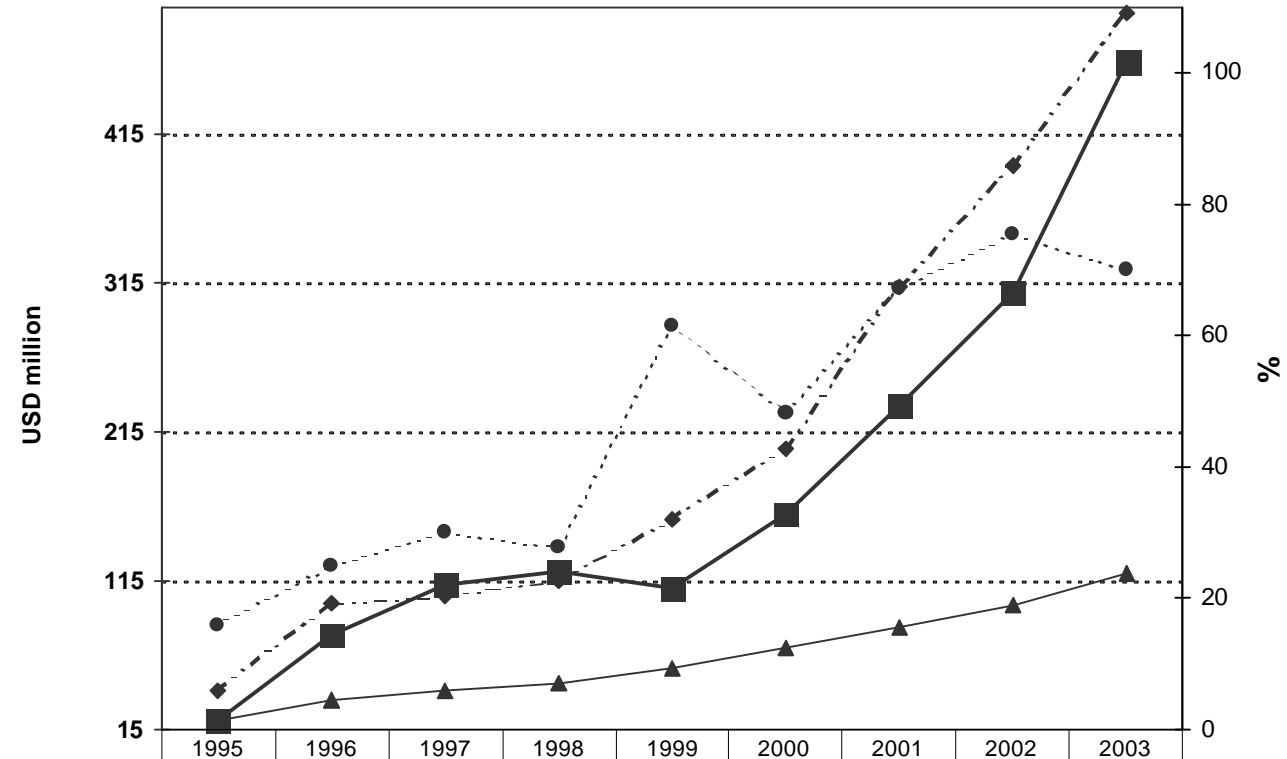
Table 2.

Moldova: Relay Race of Nine Cabinets, 1990 - 2003

	Government's term	Year	Real GDP year on year growth rate, %	Inflation rate – end of the year, %	Consolidated budget deficit, % of GDP	Annual average, exchange rate, Lei/USD	Foreign direct investment, USD per capita	External trade balance, USD mil	State internal debt, % of GDP	State external debt, USD mil
1	Î. Druc:									
	May 1990 – June 1991, 12 months	1991	-17,5	151,4	...	-	...	...	...	...
2	V. Muravschi:									
	June 1991 – June 1992, 12 months	1992	-29	1669,7	...	-	...	...	...	...
3	Ă. Sangheli:									
	June 1992 – April 1994, 21 months	1993	-1,2	2777	-9	3,66	...	...	6	256
		1994	-30,9	104,6	-10,6	4,07	4,9	-54	5,7	506
4	Ă. Sangheli:									
	April 1994 – Feb. 1997, 33 months	1995	-1,4	23,8	-6,8	4,5	20,3	-55	7,4	659
		1996	-5,9	15,1	-7,6	4,6	6,6	-252	9,5	766
5	I. Ciubuc:									
	Feb. 1997 – May 1998, 14 months	1997	1,6	11,2	-7,8	4,62	21,4	-348	11	1005
6	I. Ciubuc:									
	May 1998 – March 1999, 9 months	1998	-6,5	18,3	-3,3	5,37	20,9	-388	17,2	1003
7	I. Sturza:									
	March 1999 – Dec. 1999, 9 months	1999	-3,4	43,7	-3,1	10,52	10,4	-137	15,5	935
8	D. Braghis:									
	Dec. 1999 – March 2001, 15 months	2000	2,1	18,4	-1,6	12,43	37,4	-294	12,6	1022
9	V. Tarlev:									
	April 2001 - ...	2001	6,1	6,3	0	12,87	40,2	-313	12,6	955
		2002		4,4	-0,5	13,57	32,1	-378	12,8	987
		2003	6,3	15,7	1,6	13,94	16,2	-622	10,7	1008

Table 3.

Annual Workers Remittances and Compensations of Employees to Moldova



—■— Workers Remittances and Compensations of Employees, USD million	20,924	78,92	113	121	110,41	159,5	232,64	308,94	463,73
- - ◆ - - % of Gross Capital Formation	5,835879	19,21292	20,30252	22,69241	31,91594	42,76918	67,48357	85,82158	109,2901
- · - ● - · % of Deficit on Goods and Services	15,76433	24,95336	30,02524	27,83977	61,5029	48,1713	67,20397	75,34203	70,07419
—▲— % of GDP	1,451883	4,65798	5,85841	7,126948	9,4301	12,37938	15,71177	19,02538	23,68621

Moldova and Ukraine: Bilateral Relations

Dr. Oleksandr Sushko

Center for Peace, Conversion and Foreign Policy of Ukraine, Director

The Republic of Moldova and Ukraine are close neighbors and natural partners; both countries have similar internal problems and foreign policy priorities. However, bilateral relations are still far from being stable and mature. Let me draw your attention to the actual spectrum of the Kyiv-Chisinau agenda, which is to illustrate specific political and economic processes in that part of Europe.

So, what do both countries have in common?

1. Both Ukraine and the Republic of Moldova are so-called Newly Independent States, which appeared after the collapse of the Soviet Union in 1991. They are new actors on the European stage.
2. Both countries have faced similar problems in the process of state/society building and maturing independence, namely: economic and society frustration in the 90s, weak capability of state institutions, corruption, backwardness, weak justice and judiciary system, deficit of media freedom, lack of civil culture and the weakness of the 'third sector'.
3. Moldova as well as Ukraine belong to the group of the poorest countries in Europe, which essentially limits their capacity in all aspects of domestic and international policy. Both countries have survived the decade of economic decline and have been growing fast recently (9.4% GDP growth in Ukraine, 6.3% in Moldova in 2003). However, they remain poor in comparison with their Western neighbors.
4. The Republic of Moldova and Ukraine both have a common strategic objective, which is the *membership in the EU* (unlike Belarus and Russia who have not expressed such an ambition). However, their European aspirations remain mostly declarative, without strong pro-European commitments in domestic policy. Both countries created a number of governmental bodies responsible for European integration but their efficiency seems doubtful. In return, the EU builds its policy on the basis of European Neighborhood Policy (ENP), which does not provide the prospect of membership (unlike the EU policy towards the Western Balkans), and so general dissatisfaction caused by this fact is visible in Kyiv and Chisinau. Currently, both countries are in the process of preparing the Action Plan within the framework of the ENP. Moldova has already finalized talks but Ukraine is still going on.
5. Ukraine and Moldova have close economic and political ties with Russia, the military presence of Russia remains a sensitive factor, however, both states try to avoid becoming satellites of Russia (unlike Belarus).
6. Both countries are sending labor migrants. Millions of Ukrainians and Moldovans work together in the EU and throughout the world. Citizens of both countries suffer from human trafficking. According to 'La Strada' data, 7% of the young female victims of trafficking identified in the EU are Moldovans and 6% are Ukrainians.

Although having a lot in common, Moldova and Ukraine at the same time have important differences.

1. The countries belong to different ‘weight categories’. Moldova is a small state, in contrary, Ukraine is the 6th largest (by number of population) country of Europe and it has an ambition to play a role of middle regional power. This difference makes bilateral relations asymmetric.
2. Ukraine successfully secured its internal stability and territorial integrity, whereas Moldova still has a Transdnistria separatist quasi-state with its non-legitimate ‘government’.
3. Moldova is a neutral state according to the Constitution; Ukraine is seeking membership in the NATO, developing special relations with the Alliance on the basis of the Charter of Distinguished Partnership (1997) and the Action Plan of 2002. Ukraine is a contributor to Southeastern Europe’s security, being involved in peace-building activities in the Western Balkans since 1993.
4. Moldova is a member of the Stability Pact for Southeastern Europe, which provides hope to join the “Stabilisation and Association Process” offered to Balkan states by the EU.
5. Moldova is the only parliamentary democracy in CIS, whereas Ukraine is a presidential republic with stronger authoritarian trends in recent years with unclear prospects. However, the parliamentary model hasn’t guaranteed mature democracy for Moldova as yet.
6. Moldova has been more successful in the process of joining the WTO. It is a member since May 2001. Ukraine is still continuing negotiations, hoping to join in 2005.

There are similarities and differences mentioned above that determine the agenda of Moldova-Ukraine relations. In practice and according to my observation, the ***existing level of bilateral cooperation does not correspond to the level needed by both sides to promote their common interests***. There is a visible lack of trust between political elites, a lack of cooperative civil activity. The intensity of relations remains low in comparison, for instance, with Ukraine-Poland relations.

For Ukraine Moldova is evidently an important partner.

- Ukraine is a participant in the Transdnistria peace process (together with the OSCE and Russia) from the very beginning of international efforts to tackle this regional conflict, which has become a ‘frozen conflict’ after the active phase of the early 90s.
- The border with Moldova is the second largest border of Ukraine (after Ukraine-Russia border) – 1222 km.
- Despite being a small economy, Moldova is the *second largest trade partner of Ukraine among CIS states* (after Russia). The extent of Ukraine-Moldova trade is comparable to Ukraine’s trade with the Netherlands. In the general rating of Ukraine’s foreign trade partners Moldova is at the end of the top-ten.

However, for a long time, border and trade issues have been producing tensions rather than friendly co-operations between Kyiv and Chisinau.

The border deal was formally completed in June 2001, when the parties simultaneously ratified the Treaty on the State Border and an additional protocol that provided an exchange of territories. In return for 7 kilometers of the road Odessa-Reni (which is going through Moldova territory across Palanka village), Ukraine has provided Moldova with a 3 km-long railway that crosses Ukrainian territory and a small piece (approx. 400 meters) of the Danube riverbank near Dzurdzulesty village to build a river terminal there.

This regulation still didn't get a consensus in Moldovan society. The government of the Republic of Moldova has ignored the strong opposition inside the country. Some political leaders still treat the protocol as wrong and unfair and call for reconsideration. This border dispute determined a debate on the essence of bilateral relations. Complaints appeared that Ukraine behaves as an 'elder brother' using the weakness of small poor neighbors.

In January 2003, the parties started the process of border demarcation according to the Border Treaty. Two obstacles were actually slowing down this process, namely: a lack of funds and the Transdnistria issue. Almost half of the Ukraine-Moldova border is under control of the Tiraspol separatist regime. This part of the border is probably the most criminalized one in the East of Europe.

Another tension appeared when Moldova introduced new custom stamps in 2001, demanding all foreign partners not to accept old ones any more. The reason was to limit illegal economic activities of Transdnistria and to meet WTO criteria. Ukraine, however, decided not to stop the trade with the old stamps, arguing that by this policy Chisinau wants to block and kill the Transdnistrian economy. Almost a year was necessary to dissolve this dispute. This tension gained international resonance; Ukraine's position received a negative perception of the EU and WTO.

The parties did not achieve a consensus on establishing joint custom checkpoints on the Ukrainian side along the Transdnistrian border. Again, the Ukrainian government suggested not isolating Transdnistria's foreign trade before a general solution of the conflict would be achieved.

The key problem of Ukraine's standpoint vis-à-vis Moldova is that there are some strong business-political groups that are interested in preserving the status quo in Transdnistria in order to continue some gray and shadow businesses. They do not express their position transparently but try to press the government and president of Ukraine to preserve direct contacts with Transdnistrian regime leaders. Lobbyists of Transdnistria exploit the issue of a Ukrainian minority in this region of Moldova to get some public legitimacy for this policy inside Ukraine. As a consequence, Ukraine's policy remains ambivalent, contradictory, which undermines trust between Kyiv and Chisinau without any real benefits for both.

The position of Kyiv on the so-called Kozak's Memorandum on the federalization of Moldova offered in November 2003 has been unclear as well. In the beginning, official support of this plan was expressed by the president. Later, after the plan collapsed, the MFA acknowledged that the plan needs further debates and elaboration.

Ukraine and the Republic of Moldova lack bilateral cooperation in their relation vis-à-vis the EU. In my opinion, it would be a good common agenda, using the experience of Vyshegrad countries, which cooperated for the sake of European integration.

Europeanisation is the strongest ambition for both countries. Ukraine and Moldova are the only Western NIS to search for EU membership. Therefore, they can and should speak in common voices to push European capitals to a more active Eastern policy. In particular, there is a need of a common approach to border policy, visa and migration issues, transport, infrastructure development, dealing with smuggling and human trafficking, rehabilitation of victims of international crime etc.

Being put onto the wider agenda of European affairs can successfully solve bilateral disputes. For instance, border debates may be developed not by means of ‘divorce’ or making distance between two countries but by means of common rapprochement towards European standards.

Ukraine’s policy towards Moldova reflects the desire of official Kyiv to play the role of a regional leader in the East of Europe. This is an honorable ambition. Nevertheless, in order to conduct such a policy efficiently, Kyiv needs to learn and follow the European style of leadership with a strong stress on the responsibility of the larger state for the smaller one.

Romanian-Moldovan Political and Economic Relations

Odette Tomescu-Hatto

Central and East European Politics at l'Institute d'Etudes Politiques de Paris

1. Introduction

The Romanian-Moldovan relationship has certain distinctive qualities that differentiate it from other cases and require a closer study. Many Romanians and Moldovans think that they belong to the same “nation” on the grounds of their largely identical language, religion and culture. But they live in two separate states. In contrast to Romanians in Ukraine, who consider themselves as a separate ethnic minority living in the Ukrainian country, Moldovans constitute the titular majority nation in the Republic of Moldova and are not seen as a “minority” in Romania but as a component of the single nation. This is a unique situation among all the cases of cross-border relations across the EU's new external frontier, and its ambiguities will only be accentuated by Romania's EU accession and implementation of the Schengen border and visa regimes. The unresolved question of identity is fundamental for the sensitive, ambivalent quality of Romanian-Moldovan relations as “international” relations. Indeed, it is also central for the very stability and survival of the Moldovan state.

2. Romanian-Moldovan Relations after 1991: the Identity Question

Since the Republic of Moldova gained its independence in 1991, Moldovan politicians have always hesitated between the adoption of a Romanian identity, relating them to Romania, and the adoption of a Moldovan identity, which would relate them to Russia. In practice, this initially led the Moldovan government to adopt an ambivalent and unclear position before finally deciding to construct a Moldovan identity, distinct from that of the Romanian identity¹.

On the other hand, Romania's foreign policy position towards Moldova was equally ambivalent. In 1991, Romania's apparent desire to integrate the Republic of Moldova was diluted by a number of factors. Among the reasons evoked by Romanians were: the presence of the 500.000 Russian-speaking people in Bessarabia and in the North of Bucovina, Romania's economic situation which made it unable to afford the reintegration of the Republic of Moldova, and of course, the categorical refusal of the separatist area of Transnistria to integrate Romania. In addition, the question of reintegration never achieved widespread attention within the Romanian society as a whole². Nevertheless, Romanian political elites (the left wing as well as the right-wing) constantly declared their economic and political support for the Republic of Moldova. They spoke about the "brothers and sisters from the other side of the Prut river", of the "two Romanian States", "one people - two states", however, without ever clearly articulating a desire for reunification. In reality, the reunification question was used as a political leverage by a part of the Romanian political elite (mostly the extreme right wing) in order to attract the nationalist electorate.

¹ Cristian Urse, « Moldova between Russia and Romania: recent evolution and perspectives », paper presented at *The 8th Annual Convention of the Association for the Study of Nationalities*, Harriman Institute, Columbia University, New York, April 2003.

² At that time, Romania had already several problems to be solved concerning the status and the rights of the Hungarian minority in Transylvania.

Between 1991-1992, the question of reunification with Romania had led to a situation where the positions of the political elites on the two sides of the Prut River were clouded by ambiguity. This ambivalence was to lead to the later creation of a climate of mistrust between the two countries.

During his official visit to the Republic of Moldova in May 1992, the Romanian president Ion Iliescu had adopted a careful position by expressing his attachment to the principles of Helsinki. He spoke about the inviolability of the borders and about the development of the relations between the two states. The question of reunification was not mentioned.

Nevertheless, in 1992, Romania had advanced a draft of a bilateral treaty with Moldova named "The treaty of Fraternity and Integration". Moldova, however, represented by Prime Minister Druc, had changed its position. Insisting on the ratification of a treaty of fraternity and co-operation she attempted to avoid as much as possible the use of the word "integration".

At the start of 1994, the Moldovan President Mircea Snegur started to see the "special" relations with Romania under another light. By clearly specifying that Romania and Moldova were two independent states, he highlighted the fact that the question of reunification was no longer on Moldova's political agenda. The year 1994 has marked the first change in the reorientation of Moldovan foreign policy towards Romania. On 8 April 1994, the new Moldovan Parliament had approved the accession of Moldova into the CIS. Romania perceived this decision as a legitimization of past criminal acts (with reference to the Molotov-Ribentrop pact).

On 5 February 1994, the Moldovan government organized a conference entitled "Our home: the Republic of Moldova". On this occasion, Mircea Snegur revealed his new vision concerning Romanian-Moldovan relations by clearly stipulating the existence of two different people who live in two independent states. These declarations were perceived by Bucharest as being anti-Romanian and President Iliescu referred to the Republic of Moldova as an "artificial state", while also making reference to the concept of the existence of "two Romanian states"³.

The new Constitution of Moldova adopted on 29 July 1994 stipulated that "the Republic of Moldova is a sovereign and independent state"⁴ and that "the traditional language of the Republic is the Moldovan language and its writing is based on the Latin alphabet"⁵. Thus the Moldovan Constitution referred to the Moldovan language and not to the Romanian language. Following demonstrations by students and intellectuals, President Snegur ended up accepting the fact that the "scientific name" of the Moldovan language is Romanian, with the consequential changing of the Constitution to highlight this fact.

By 1995, the two countries had already adopted diverging positions concerning their bilateral relations. While Bucharest spoke about "special relations" and about "the treaty of fraternity" with Moldova, Chisinau accused the Romanian government of wanting to grant Romanian citizenship to Moldovans without consulting Moldovan authorities first. This was seen by Chisinau to be an act of interference in the internal affairs of the country. Moldovan politicians suddenly became more interested in territorial integrity and the independence of Moldova rather than cultural identity and the question of an integration with Romania.

³ Iulian Chifu, "Razboi diplomatic în Basarabia", Edition, Paideia, Iasi, 1997, p. 224.

⁴ Article 1.1 from the Moldovan Constitution.

⁵ Article 13th from the Moldovan Constitution.

The Moldovan authorities clearly showed that what they wished was a simple bilateral treaty with Romania and not a "special" treaty, as desired by the Romanians.

Petru Lucinschi clearly aligned the Moldovan foreign policy towards Russia by stating that "the relationships with the Russian Federation constituted a priority for Moldova and that they need to be developed considerably".

In 1997, former President Mircea Snegur had advanced the idea of a treaty that would propose cultural and economic integration with Romania. This was followed by a compromise in 1999. Moldova accepted the idea of "culture, civilisation and common language" and Romania accepted the references to the inviolability of the common border. The Romanian delegation, represented by the Foreign Minister, also insisted on concluding the treaty in April 2000⁶.

Following a period of continued bargaining (1991-2000), the Romanian-Moldovan relations could be characterised as being extremely divergent at the end of the year 2000. Moldova seemed determined to distinguish itself from Romania by consolidating itself as an independent state through ethno-cultural differentiation, creating a separate Moldovan identity that would not be regarded as a simple variation of the Romanian identity.

Nevertheless, Moldova's need to find a historical past different from that of its neighbour was complicated by the fact that both shared common symbols and myths. Romania, for its part and without turning to irredentist remarks (on the basis of language community, cultural and historical links existing between the two countries), refused to recognise a Moldovan nation and people who were distinguishable from the Romanian people and nation.

3. A turning point in the Romanian-Moldovan Relations: the Voronin Regime and the New Language Policy

The Communists' coming to power on 25 February 2001 has marked another turning point in the relations between Romania and Moldova. While Romania still insisted on the "privileged relations" with its Moldovan neighbour, President Voronin positioned himself, even more than Lucinschi, to be open in favour of a closer cooperation with Russia.

In November 2001, Voronin negotiated and signed a treaty with Russia, giving the Russians a special status. This was accompanied by a major change in the schooling programme, where the teaching of what was the "history of the Rumanians" and "Romanian language and literature" was replaced by "the history of the Moldovans" and by the Moldovan language and literature". These changes in the orientation of the Moldovan cultural policy were perceived by Romania like a return to russification. In a statement released to the Mediafax agency, Romanian president Ilescu argued that the Republic of Moldova represented a second Romanian State, since 65% of its population are of Romanian origin. Ilescu criticized the actions of the Moldovan government, which in his opinion "constitute attempts intended to weaken the Romanian conscience". For the Moldovan side, Prime Minister Adrian Nastase stated that the "linguistic policy of Chisinau will push Moldova to exclusively look at the world through the Russian window as before 1989" and will reduce its chances in approaching Europe.

⁶ Petrache Cojocă, "*Istoria unui tratat controversat*", Bucarest, 2001, pp. 27-45.

The first protests against the new linguistic and cultural policy of Voronin started on 9 January 2002, when the Democratic Christian Popular Party organised mass demonstrations in Chisinau and in other cities⁷.

Romania had perceived the new cultural policies undertaken by the government of Chisinau as an attempt to restore ethnic Moldovenism. By establishing the Russian language as the common language of interethnic communication, a forge was driven between the people living on either side of the Prut River in order to create two distinctive identities. For Romanians, the roots of the current Moldovan identity crisis reside in her incapacity to define an autonomous "Moldovan identity", due to the fact that Moldovan features and singular qualities are undeniably similar to that of the Romanian identity. This one represents the reason for which the Moldovan identity is built in antithesis with the Romanian identity by trying to find differences and destroying the similarities⁸.

From the Romanian point of view, the current government of Chisinau caused a new identity crisis in order to stay in power as long as possible and to conserve the privileges of the Soviet period by inventing a Moldovan pseudo-identity, as well as cultivating old ideas of Stalinism. In this way, the Communists were able to assert themselves as the representatives of the pseudo-majority. The mentality of the Moldovan elites is perceived to be unworthy of the 19th century, as they are unable to accept "the possibility that the same people - Romanian people - can live in two distinct states, Romania and the Republic of Moldova, without a need to invent by artificial way a pseudo-people who would live in the second state"⁹.

If the Moldovans do not renounce to the idea of the construction of a Moldovan identity different from the Romanian identity, the Romanians do not accept the existence of the Moldovan people different from the Romanian people any more. The national question for the Republic of Moldova is far from being resolved; neither of the two solutions offered ("a nation, two states" and "two states for two different nations") has majority support. However, Romania clearly showed its desire to defend the interests of those whom it regards to belong to the same nation. This interest (somehow legitimate)¹⁰ directed towards the Moldovan population who have Romanian origins also shows the difficulty Romanians have in accepting the territorial design of 1940.

The cultural and linguistic policies undertaken by the government of Chisinau since 2001 marked the beginning of a Romanian-Moldovan diplomatic conflict. Since the beginning of the dispute, Romanian-Moldovan relations have not returned to normalcy and are characterised by formalism and mistrust. This mistrust, always present at the level of the two governments, have characterised the Romanian-Moldovan bilateral relations between 2002-2004 and could be seen in every action aiming at the establishment of a bilateral legal framework between the two countries.

⁷ The reaction of Romania with regard to the demonstrations and subsequent events that took place in Moldova during January 2002 was rather moderate. Even before this policy, Romanian-Moldovan relations had already been strained since October 2001, following the refusal of the Moldovan authorities to register the Metropolitan Church of Bessarabia attached to the Patriarchate of Bucharest. In the affair, the Moldovan authorities accused the Romanian government of irredentism, as well as interference in the internal affairs of the Republic of Moldova. Finally, the metropolitan Church of Bessarabia was made official in July 2002, thanks to the pressures applied by the Council of Europe.

⁸ Iulian Chifu "*Republica Moldova, Alunecarea anti-democratica a guvernarii galagioase*", Centre pour la prévention des conflits, Iasi, 2004 (CDROM).

⁹ *Ibidem*.

¹⁰ A part of Moldovans identify themselves as Romanians.

4. The Main Sensitive Points between Romania and Moldova during 2003-2004

4.1 The Political Treaty

In 2003, the political treaty between Moldova and Romania constituted one of the main points of divergence between the two countries. In spite of the fact that during the meeting of January 2003 this treaty had been presented as being a priority for bilateral relations and an important objective for the invitation of President Iliescu in Chisinau during the year 2003, the Moldovan representatives did not discuss the treaty during the meeting of March 7 2003. The Romanian representatives were satisfied with the initial text and proposed to improve the treaty through the introduction of the "European dimension". The Moldovan representatives strongly insisted on replacing the term "privileged partnership" by the single word "partnership".

On 1 April 2003, Mircea Geoana, the Romanian Minister of Foreign Affairs, met with Chisinau to clarify the position of Romania regarding the identity and the sovereignty of the Republic of Moldova; as well as to explain that the special character of the Romanian-Moldovan relationship did not go against the integrity of the Moldovan state or usurp ITS assertions of independence. From that moment, it was supposed that the Romanian-Moldovan relationship would acquire a European character. The Romanian representatives had proposed the adoption of a declaration concerning a "European Partnership" between Romania and the Republic of Moldova that could be signed at an important level and that could, at the same time, represent "the specificity of the bilateral relation and a European logic"¹¹. The Moldovan representatives did not come to a conclusion about this proposal and continued to ask for the signature of a basic political treaty that "would exclude the interference of Romania in the internal affairs of the Republic of Moldova". In a letter addressed to Commissioner Guenther Verheugen on 5 November 2003, Vladimir Voronin denounced the refusal of Bucharest to sign a bilateral political treaty between Romania and Moldova.

On 1 August 2003, a meeting took place in Stâncă Costești between the Romanian President Ion Iliescu and the Moldovan President Vladimir Voronin. The purpose of the meeting was to reinforce the political dialogue between the two countries. Nevertheless, the aversion of the Moldovan communist leaders towards Romania and the impossibility of finding an intermediary solution for the two parts regarding the basic political treaty led to another conflict between Chisinau and Bucharest during the second half of 2003.

On 19 November 2003, in a statement given to the newspaper "Moldova Suverna", the representative of the Republic of Moldova in the Council of Europe, Mr. Alexei Tulbure, declared that "Romania was not at all an expert in European integration and that it was not necessary to have it as a lawyer in the context of the integration of the Republic of Moldova to the EU structures". He also added that the "Republic of Moldova does not wish to have special relations with Romania". Tulbure specified that "the basic political treaty which should be signed with Romania did not constitute an aim in itself but the Republic of Moldova had need for a legal framework in its relations with Romania by which the national identity of the Moldovans would be recognised and which would ensure the equality of these subjects of international law: Romania and the Republic of Moldova".

¹¹ Romanian Minister of Foreign Affairs Mircea Dan Geoana – Chisinau, 6th November 2003, Discourse during the meeting of the Committee of Ministers from the Council of Europe.

In return, President Iliescu affirmed in a televised interview on the 25th of November 2003 that "Romania recognised the Republic of Moldova as an independent State and that it supports the consolidation of this one and its integration in the European structures". Nevertheless, the Moldovan representative in the Council of Europe insisted in a statement given to Novosti-Moldova news service on the 23rd of December 2003 on the fact that President Iliescu "needs to recognise the existence of the Moldovan people" who are different from the Romanian people.

On the 29th of December 2003, the series of conflicting declarations came to a climax when President Voronin stated that Romania had remained "the only empire in Europe consisting of Moldavia, Dobroudja and Transylvania" and by adding that it would call upon the international community if it could not escape of "brothers from beyond Prut". In his opinion, "Moldova never required the assistance of Romania to accede to the European Union". The conflict "was closed" by the Romanian Minister of Foreign Affairs, who affirmed that "in spite of the virulence and the aggressiveness of the attacks addressed by Chisinau to Bucharest, Romania will not change its attitude with respect to the Republic of Moldavia"¹².

The question of the signature of the political treaty between Romania and the Republic of Moldova remains open: none of the two parties accepts the proposals made by the other part. The text of the treaty that was agreed upon at the end of the year 2000 was never signed, and Moldovan representatives presented Romanian authorities with a new text extremely different from the original. This new text presented by the authorities of Chisinau was not accepted by Bucharest because of the fact that the majority of the similarities of language, culture, civilisation and history between the two countries were occulted. The new version of the treaty aimed at clarifying the elements that differentiate the Romanian state from the Moldovan state. According to the Romanian authorities, this text comprised paragraphs specific to the period of the Cold War, such as "the military guarantees of non-aggression". For this reason, the Romanian government had proposed a compromise: the declaration concerning the "European Partnership". The Moldovan party did not reach a decision about the proposal, which effectively constituted a refusal by Chisinau to sign the treaty with Romania in the form that was proposed by the Romanian government. Bucharest's reaction was to say that the signature of a simple, banal treaty that did not take into account the privileged nature of relations between the two countries was useless, especially in the light that "this type of treaty was necessary in Europe after the end of the Cold war and not today"¹³.

4.2 The Special Fund for the Republic of Moldova

Another source of contention during 2003 was the Special Fund for the Republic of Moldova created by the Romanian government at the beginning of 1990. The Fund especially intended to support cultural and economic activities and to help with the development of certain NGOs. During the years 2002-2003, the government of Chisinau accused Romania "of interference in the internal affairs" of Moldova precisely via this special fund that financed, inter alia, publications in Romanian language. In the opinion of the Moldova government, Romanian authorities had not consulted with Moldovan political leaders in relation to the use of the special fund. In this respect, Prime Minister Vasile Tarlev affirmed that Moldovan leaders

¹² MAE, www.mae.ro

¹³ Romanian Minister of Foreign Affairs, 17th of November 2003.

"will not accept any financial assistance provided by this fund if this is not coordinated with the Moldavian government¹⁴".

Following the accusations against the Romanian government and the deterioration of Romanian-Moldovan relations in general, the Romanian Parliament decided on the 21st of November 2003 to make an amendment to the budget for the year 2004 and to eliminate the sub-paragraph that referred to the funds intended to promote cultural and economic projects between Romania and the Republic of Moldova. Consequentially, a sum of 135 billion Lei was transferred to the Department for the Romanians from the diaspora in "general" (DRP). On the appendix that relates to this department a note was introduced which specified that the money would be used to promote foreign newspapers written in the Romanian language (including the Republic of Moldova). However, the Romanian Minister of Foreign Affairs specified that Romania would continue to finance projects in the Republic of Moldova from Romanian national resources and by European co-financings. The decision of the Romanian government to remove the special fund for the Republic of Moldova was not well received in Chisinau. Even if by the government of Chisinau Romanian perceived the funding as a new form of imperialism, Romania had been the only country since 1991 that had granted Moldova a constant and supported financial assistance.

For Bucharest, the assertion of the "special character" of the relations between the two countries does not go against the consolidation of a sovereign and independent Moldovan State. The idea of a possible reunification of Moldova with Romania is not on the agenda of the Romanian government and is not a factor of the Romanian public opinion.

5. Latest developments: “plus ça change plus c’est la même chose...”

Between the 27th and the 28th of May 2004, the summit of Central and Eastern European countries took place in Romania at the Black Sea resort in Mamaia. The summit confirmed the ambiguity and the vulnerability that had dominated the Romanian-Moldovan relations during the previous 3 years.

On this occasion, President Ion Iliescu had a bilateral discussion with his Moldovan counterpart Vladimir Voronin. The media perceived the meeting between the two heads of state as a meeting between two persons speaking the same language but who could nevertheless still not understand one another. Ion Iliescu did not understand why Moldovan officials had repeatedly accused Romania of "imperialist and irredentist tendencies" and "intervening in the internal business of Moldova", Voronin seemed embarrassed by the remarks of Iliescu, who referred to the Republic of Moldova as a "second Romanian State", as well as the fact that the Romanian President insisted on saying that Moldovans spoke Romanian and not Moldovan.

At the end of the meeting in Mamaia, Vladimir Voronin asked Iliescu to make a statement supporting all Moldovans who wished to build a viable independent state. The statement should also include the fact that the Moldovan population speaks the "Moldovan language".

In response to this proposal, President Ion Iliescu invited Voronin to Putna on June 2, 2004 in order to celebrate the 500th anniversary of the death of the Moldovan Prince Stefan cel Mare. If Voronin had intended to extract from Iliescu a declaration recognising the

¹⁴ Iulian, Chifu, "*Republica Moldova, Alunecarea anti-democratica a guvernarii galagioase*", Centre pour la prévention des conflits, Iasi, 2004 (CDROM).

Moldovan language as a language distinct from Romanian, he was sorely mistaken. Iliescu categorically dismissed this proposal: "I said that they were free to call the language which they speak as they want it. The inhabitants of Banat do not call their language the "Banatian" but Romanian. We will speak in Putna our respective languages, but we will perfectly understand each other"¹⁵.

The Basic Political Treaty also formed part of the agenda during the Mamaia summit. For Moldovan representatives, the signature of the political treaty concerning bilateral collaboration remained an important issue and Voronin did not hesitate to re-open discussions on the eventual signature of such a treaty. Romania, however - through the voices of the Prime Minister Nastase and the chief of the Romanian diplomacy, Mircea Geoana - categorically reaffirmed that Romania would not sign a document which they considered to belong to the "prehistory of the diplomacy". If Voronin wished for a treaty which "separates from a cultural and historical point of view " Moldova from Romania, Romanians wanted a document which underlined the cultural and historical connections between the two countries. The summit of Mamaia confirms the fact that contradictory interpretations of a national identity play an important part in the foreign politics of the two countries.

Nevertheless, if the two countries have very different and conflicting positions concerning their historical connections, these differences are not echoed in their respective economic policies, in particular Romania's economic support of Moldova. In this respect, the Moldovan President has thanked his Romanian counterpart during the summit of Mamaia for having helped and supported Moldova in obtaining the status of an observer within the framework of the PCESE. International observers agree that the development of good relations between Bucharest and Chisinau is crucial for the integration of Moldova in the EU: "If Moldova wants to have success on the European level, the Chisinau-Bucharest relations must become as intimate as the Kiev-Warsaw relations or Warsaw-Vilnius" affirmed Bruce Jackson, May 2004, leader of the ONG - "Committee of the USA for NATO"¹⁶.

6. Economic relations

In spite of the difficult political cooperation, the economic relations always enjoyed a relatively good development.

- Two inter-ministerial committees regulate the economic relations between Romania and the Republic of Moldova. The committees meet each other once a year in Bucharest or in Chisinau -a kind of common meeting between both governments - designed to establish new channels in order to develop economic, cultural and scientific cooperation.
- The last meeting of the committees was held on the 10th of July 2001 in Chisinau.
- The meeting scheduled for the 27th of November 2002 in Bucharest was cancelled due to the deterioration of the political dialogue.
- In April 2003, the Republic of Moldova decided to dismiss the inter-ministerial committee and to set up the Joint Romanian-Moldovan Inter-governmental Commission for cooperation in economic, cultural and scientific fields.
- During the summer of 2004, both countries decided to cooperate again but at the level of inter-ministerial committees. As such, a new meeting is scheduled for autumn 2004.

¹⁵ *Moldova Azi*, 1st of June 2004, www.azi.md.

¹⁶ *Global News*, 31st of May 2004, www.rgnpress.ro

Table 1: Financial non-refundable assistance. The Fund for the relations with the Republic of Moldova until 2003

Billions of Lei

1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
6	1	4	4,6	5	10	12	26.5	116.4	112.8

Note: for 2003, an amount of 120 billions Lei was allocated

Table 2: The dynamic of the Romanian-Moldovan trade in millions of USD

	1995	1996	1997	1998	1999	2000	2001	2002	2003 28.02
TOTAL	186.45	180.49	191.08	190.40	141.4	183.6	150.2	159.89	24.3
EXPORT	81.92	100.65	128.66	128.60	101.0	142.3	111.5	109.63	14.6
IMPORT	104.53	79.84	62.42	61.80	40.4	41.3	38.7	50.26	9.7
SOLDE	-22.61	+20.81	+66.24	+66.8	+60.6	+101	+72.8	+59.47	+4.9

On 31/12/2003, the total volume of trade with the Republic of Moldova was 220.7 million USD: 136.9 millions USD export and 83.8 million USD importation, the balance being 53.1 million USD in favour of Romania. Compared to 2002, the volume of trade increased by 38 % (exports increased by 25 % and imports by 62 %). According to the volume of trade recorded in 2003, Romania is the fifth largest trading partner (in total volume) for the Republic of Moldova (after the Russian Federation, Ukraine, Italy and Germany).

Between 1994 and 2003, 13 agreements, conventions and treaties were signed between Romania and the Republic of Moldova relating to: trade, investment, reciprocal assistance, environment, education, flight and aeronautical services, telecommunications, health, fight against smuggling and trans-border cooperation.

7. Conclusion

Romanian-Moldovan relations, by their complexity and their ambiguity, represent a unique case among the relations of vicinity and trans-border co-operation at the doors of the enlarged EU.

Between 2001 and 2003, Romanian-Moldovan political relations had been dominated by a reciprocal mistrust created over a number of years between the ruling elites of both countries. The deterioration of Romanian-Moldovan relations is the result of several factors: the influence that contradictory interpretations of national identity have had on the respective foreign policies of the two countries, the incapacity of the Republic of Moldova to build a viable nation-state and the economic and political problems Moldova faces and which stem from achieving its independence and ensuing undemocratic behaviour of the Voronin government, particularly with regard to its linguistic and cultural policy that has been developed over the last three years.

Having identified these factors, it is obvious that Romania and Moldova conceive their reciprocal bilateral relations in a very different way. This has resulted in freezing diplomatic relations over the last three years. Therefore, a concentrated effort is needed in order to restore diplomatic relations between Romania and Moldova.

What part should the EU play in the improvement of the economical and political situation of the Republic of Moldova?

Dr. Valeriu Gheorghiu, IPP

The present situation of the Republic of Moldova is bad both at home and on an international level, and this situation is not really changing, and if so, it will then change very slowly. The Republic of Moldova is a country with a small economy, extremely dependent on the import of energy and on foreign sales markets, and a place where the general situation is strongly influenced by the Transnistrian conflict, the solving of which ultimately depends on external factors.

Among these factors the European Union plays an increasing role, whether it wants to or not. At the same time, does the European Union face some problems in its relationships with the Republic of Moldova in order to deepen the relationships? Are there any? It seems that there aren't, because as soon as the chance to become an EU neighbor appeared, our country got on the EU agenda, which has finally taken a position regarding the EU – Moldova relationships.

Thus, the European Commission adopted several documents – the communications “Wider Europe – Neighbourhood: A New Framework for Relations with our Eastern and Southern Neighbours”, “Paving the Way for a New Neighbourhood Instrument”, “European Neighbourhood Policy. Strategy Paper”, “European Neighbourhood Policy. Country Report. Moldova”, and the Action Plan Moldova – EU that is now being developed. What is true though is that firstly, the Action Plan appeared on paper, and then the Strategy and the Country Report came out. Although the European Commission's Communication on March 11, 2003 and all the program documents issued later on particularly mentioned the differentiated approach of the EU to the relationships with its neighbors, on its 33 pages of the European Neighbourhood Policy the word “Moldova” is mentioned 10 times, and only one time a whole line is dedicated exclusively to Moldova.

The EU Enlargement Architect, the European Commissioner Mr. Gunter Verheugen, who qualified Moldova as a country with a semi-dictatorial regime a year ago, visited Chisinau in December 2003, mentioning that Moldova has to follow the path traced by the New Neighbourhood Policy and to totally turn against the participation in the Stabilization and Association Process. In February, Mr. Verheugen declared that Moldova could overtake some of the Balkan countries by making a sufficient effort. Not much later, Mr. Verheugen declares that no ex-Soviet Republic will become an EU member in the following 20 years.

This is probably, **from our point of view**, one of the most important problems of the EU: within the EU there is no clear opinion about the relationships with Moldova, and they declare different things at different times, or the opinion exists, and they are doing the same thing as the Moldovan authorities – they have several speeches, at least two: one for the outsiders (The Republic of Moldova can overtake some countries ...) and another for the EU citizens (in the near future no ex-Soviet Republic will join the EU...).

It is true that Moldovans are permanently criticized for several messages (one for Brussels, another one for Moscow, etc.). We are always warned that if we have serious intentions to integrate into the EU, we will have to analyze, at a certain moment, how compatible the idea is of joining the EU and the WTO membership with the CIS membership. But what is the difference between the CIS and the BSEC (Black Sea Economic Cooperation) Organization, or the Central European Initiative? All three structures have executive secretariats and other kinds of institutions; the member states cooperate not only on the economical sector but also on security issues (the struggle against organized crime, for example). All those three structures have limits and cooperation areas determined by the member states, there aren't any customs unions or a common market. Why don't they reproach Greece, an EU member, for being a member of the Organization of BSEC at the same time, along with Russia, Ukraine, Moldova, and other CIS states? Why weren't the Czech Republic, Poland, Slovenia, Slovakia, Hungary etc., when becoming EU members, requested to leave the Central European Initiative, of which among these states, the Ukraine, Belarus, and Moldova, are members as well? Another example is the creation of the free trade area by the CIS countries: if the intention is to create a FTA that will include the whole CIS area, then it is a bad idea, and if the FTA will cover only the GUUAM states, then the West and especially the US welcome the idea.

Probably this is a matter of perception, which is a wrong one. The difference between Moldova, on one side, and Greece, Austria, Italy, etc., on the other side, is that Moldova - besides the BSEC Organization - is also a member of the CIS and GUUAM. But Moldova does not promote a common foreign policy together with Russia or other CIS countries, does not belong to the Common Economic Space, and is a member of the SECI, observer in the SEECP, member of the WTO, the Council of Europe and of many other structures of European regional and sub-regional cooperation.

Despite all this, the European Neighbourhood Policy does not take into account all the individual aspects that describe Moldova (but also all the other neighbors). This is another problem that the EU faces and that needs to be solved.

Coming back to the interest in the Republic of Moldova, we will mention that starting with the fall 2003, many conferences have been organized, where the situation of the Republic of Moldova was discussed. What is extremely important is the fact that the majority of them did not take place in Chisinau but in Germany, Great Britain, in Brussels, Bucharest, etc. A number of publications appeared in Chisinau but especially abroad – Great Britain, Germany, France, USA, Poland, etc. – and were dedicated to the relationship between Moldova and the EU, almost all of them including recommendations not only for Moldova but also for the European Union [1 - 7]. In the following, we will try to summarize the conclusions drawn up at different conferences and in publications. After analyzing all of them, we come up with the following ideas.

The EU Expansion, in spite of all declarations, creates new division lines. New candidates for EU membership, besides those named 5 years ago, are not accepted. The visa policy becomes harsher and harsher, and the slow and unwilling manner of dealing with these problems comes in strong contrast to all other EU policies. They say that the ENP is an anchor for Stabilization and Development, but this anchor is thrown in EU waters for the new member states (some of which still need this anchor), but for Moldova this anchor is thrown in the Nistru River again.

The EU policies are still dominated by the so-called regional approach, despite the declarations about differentiation, and there isn't a clear idea with respect to whether the EU truly has the intention to strengthen its relationships with Moldova and to effectively contribute to solve existing problems.

The European Commission, being under the pressure of the surrounding events, on one side, has little time available to develop the program documents. On the other side, the mandate of the present Commission expires at the end of this year, and probably this fact has a negative impact on the quality of the documents.

Thus, as mentioned before, the Action Plan appeared first, and only afterwards, the Strategy and Country Report followed, although everything should have been the other way around. The Action Plan is very much based on the Partnership and Cooperation Agreement, but neither made the Republic of Moldova nor the European Commission a detailed and honest evaluation of the implementation and the efficiency of the PCA, the TACIS Program etc. The Strategy doesn't only exclude the differentiated approach of the countries, but it is also very vague, particularly with regard to the essence of the future European Neighbourhood Agreements.

The confuse and contradictory signals that sometimes come from Brussels to Chisinau lose any sign of importance when accompanied by the critics brought before the EU by the Chisinau analysts regarding the double standards used by the EU. Also the lack of an EU Delegation in Chisinau has a negative influence, as its existence would mean a much more efficient dialog than the one kept through the Delegation from Kiev.

The lack of a clear perspective for a future membership is more difficult to accept in the environment of a never-ending dispute on the fact whether the European perspective is a pre-condition for reforms or the other way around, and this is true in the situation when the answer has already been existing for the others for a long time but not for Moldova. Many experts say that in a weak state and a poor country it is very difficult to convince the society to go through reforms (often painful) without letting it know what the final goal is.

Another problem the EU faces and that has bad consequences for Moldova is the fact that the relationship with Moldova promoted by the EU takes Russia's interests into account. Half a century ago, the people that populated the present territory of Moldova suffered because of the Molotov-Ribbentrop Pact, and now some analysts say that the situation is repeating: The EU and USA concluded a kind of "non-aggression agreement" with Russia that makes Moldova suffer again, as it is not capable of solving the Transnistrian conflict by itself. The Republic of Moldova, not having allies in solving the conflicts, is entirely at Russia's disposal (informally – at Transnistria's disposal, but this fact is understood by all involved in the discussions, although nobody admits it). If the conflict is not solved, it could bring the process of a future integration of Moldova into the EU to its end, especially as Moldova does not have any support even in this issue. It is true that the EU declared that it will get involved in the settlement of the Transnistrian conflict, but so far it practically refuses any instrument for this involvement, which diminishes the intention of a declaration.

However, despite the deficiencies and the problems that the EU faces and despite its very prudent position, more and more experts and politicians believe that for the Republic of Moldova, the most important factor that concerns both the economical development and the solving of the Transnistrian conflict is the closeness to the EU.

But for this policy to become a success, the EU must have the possibility to influence its relationship with the Republic of Moldova, and this is a difficult thing to achieve within the Partnership and Cooperation Agreement. One solution for the member states of the EU and not the European Commission would be to become more active in promoting the relationships with the Republic of Moldova (there are already good examples in this respect: Russia signed agreements with France and Italy concerning the liberalization of the visa system).

Generally, the EU tries to promote the policy of conditionality, offering some concessions in exchange for the promotion of democratic reforms. The recent experience shows that this policy is not very efficient, and this is probably because the offer of the EU is not consistent. In order to enhance the overall political and economic situation in the Republic of Moldova and to obtain more results regarding the security and stability matters at its future border with the Republic of Moldova, the EU has to use a number of tools, among which the most important would be as follows:

1. Membership perspective. This is the main tool that catalyzed the reforms in the states that have recently become EU members.

For the Republic of Moldova, the process can follow two steps. The first step would be to promise Moldova to become an association member by signing a respective Agreement in 2007. Depending on the results of the Action Plan implementation, Moldova could either remain with the status of a neighbor or become an associate member of the EU. The fulfillment of the Copenhagen criteria, being the second step, should end with Moldova becoming an EU member.

2. The liberalization of the visa policy. The EU could issue multiple Schengen visas for a longer term for different categories of people. For example, the official people and delegations (members of the government and of the parliament), business people, or scientific researchers should benefit from multiple Schengen visas on a 3-5 years term, the students, pupils, and university lecturers on a 1-2 years term etc.

Euro-consulates should become a reality.

The liberalization of the visa system would contribute to the intensification of the people-to-people contacts, as the Action Plan stipulates, thus diminishing the corruption in this area quite extensively.

3. The management of the migration process, by legalizing the illegal immigrants who did not break the law in any other way and by establishing certain shares, initially for the seasonal workers and later on for other categories of workers.

4. The asymmetrical and real opening of an EU market for the producers from the Republic of Moldova. It is extremely important for this market to include the products from Transnistria as well, since the business people from this region would become interested in registering as economical agents of the Republic of Moldova.

5. The support of the civil society and the independent press in the Republic of Moldova; The supervision of elections by the EU, not only by the OSCE.

6. The opening of the European Union Delegation in Chisinau, the nomination of a special envoy for the Transnistrian conflict settlement.

7. The real involvement of the EU in solving the Transnistrian conflict. Here, the EU could use different methods. The member states, for example, could participate in actions within a multi-national military force that has the goal to disarm paramilitary units in Transnistria and

would then maintain peace in the region. The EU could use - as a method of positive discrimination - the liberalization of the visa system for the citizens on the right side of the Nistru River and the opening of the market for the Moldovan economical agents who have official relationships with the state budget. At the same time, the EU could use repressive means against Transnistrian leaders (refusals on issuing visas, blocking the European bank accounts etc.).

But for this to happen, the EU has to define its official policy regarding the solving of the Transnistrian conflict and to promote this policy consistently, orienting itself not only towards Russia's interests but also towards the regional security and stability.

The collaboration with Russia, Ukraine, the US and the OSCE should be promoted constantly, not from case to case. An ad-hoc monitoring group with members of the EU and Moldovan representatives would be a real help in this matter.

The experience of the previous years has shown that the EU can strongly influence the situation of the outside countries, and none of the goals described above are impossible to reach. The most important condition for the EU, however, to really influence the situation in Moldova is to pass the political decision and to open the membership perspective for the Republic of Moldova. If the door is not closed, it simply means that it is still open, and this fact should be officially acknowledged.

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