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# NEWSLETTER

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## Synthesis and Foreign Policy Debates

The materials are realized by Lina Grau, foreign policy expert and programme coordinator with APE.

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The last period has been marked by several important events for the Republic of Moldova



On December 21<sup>st</sup>, the former prime minister and businessman, Ion Sturza, was nominated as Prime Minister by President Nicolae Timofti. The nomination comes almost two months after on October 29<sup>th</sup>, the parliament, including the ruling coalition parties have dismissed the Prime Minister Valeriu Strelet, one of the PLDM leaders. A few days before the appointment of Ion Sturza, the president had said during a meeting with the Western ambassadors accredited in Chisinau that pressure was being exerted on him to designate as prime minister the former deputy chairman of the Democratic Party, Vladimir Plahotniuc. Several ambassadors reacted publicly saying that any pressure on the head of state is inadmissible.



The same day, on December 21<sup>st</sup>, the businessman Vlad Plahotniuc announced his return to the leadership of the Democratic Party. "I will participate directly in the formation of the parliamentary majority in order to ensure a stable government that hopefully will be able to obtain the necessary votes to elect the president in March next year," wrote Plahotniuc. According to him, at present, Moldova needs a shock therapy, and his and his party purpose is to participate in the creation of a majority in order to ensure political support for the realization of this shock therapy.



Also, on December 21<sup>st</sup>, a group of 14 Communist deputies announced their split from the Communist fraction led by Vladimir Voronin. On December 24<sup>th</sup>, the deputies of the Democratic Party and the 14 former communist deputies established the Social Democratic Platform "For Moldova". The new political formation is intending to propose its own candidate for the premiership after, according to its members, Ion Sturza will fail to get the vote of confidence of the Parliament.



On December 23<sup>rd</sup>, the former Minister of Education, Maia Sandu, announced creation of a civic platform based on which a right-wing political party is going to be established. In summer, Maia Sandu was not accepted as candidate for prime minister because she had conditioned her nomination with the dismissal of the prosecutor general and of the governor of the National Bank.

The designated Prime Minister, Ion Sturza, said he would present in the Parliament the government list and programme on January 4<sup>th</sup>, 2016. He initiated a series of consultations with political parties, local government, the business community and civil society. Sturza wants to create a government of politically unaffiliated professionals, while the ministers would have to sign a declaration of integrity. In the case of failure, the president will have to designate a new candidate and if he/she is rejected again, the president has the right to dissolve the Parliament and announce early parliamentary elections.



## Political reformatting in Chisinau – an alternative to the current political class?



## ***Veaceslav Negruță: With the appearance of new political leaders there is more optimism for a healthy alternative to the current government***



**M**oldova not only managed to achieve the spectacular performance of reversing only in a few months from the Eastern Partnership success story into a space of an uncertain geopolitical future, but has also regressed economically. From a state which over the past years has registered an economic growth, even though not spectacular, it turned into a state which is on the verge of incapacity to honour the domestic payments, with dramatic drops in the imports and exports and blocked relationships with the most important development partners.

*The former Finance Minister and currently programme director with the Expert-Grup think tank, Veaceslav Negruță says that perpetuating of the situation when important decisions are taken outside the state institutions is an inadequate and non-democratic*

*model of governance. The fact that lately there have appeared alternative political parties and such leaders as Ion Sturza and Maia Sandu gives optimism that in a relatively short time there will be a healthy alternative to the current government...*

■ **Lina Grâu:** In the last month there have been great developments in the Republic of Moldova related particularly to the arguments between the governing coalition parties that have intensified after the dismissal of the Strelet cabinet. We have seen the shadow PDM leader, Vladimir Plahotniuc, returning to the forefront of the political stage as well as the appointment of Ion Sturza as candidate for prime minister, a courageous gesture by President Nicolae Timofti. What is actually happening in Moldova? Are there chances for

the Moldovan state to escape from captivity or is it just a game?

■ **Veaceslav Negruță:** There is a desire in the society to regain the independence of state institutions –in the justice, financial, regulatory sectors– that are virtually totally dependent on certain political-oligarchic groups determining and dictating Moldova’s political, economic, and social agenda.

What we are now witnessing is a fight between several currents in Moldova. One is trying to keep its domination and control of the situation and maintain the status quo in everything. On the other hand, others are trying to identify a different political and governance model able to change things and bring consistency to the reforms.

It is true that at the moment, we have neither economic, financial nor social policies to be implemented by the government. Respectively, the entire model should be rethought, while the citizens’ interests should be in the focus of discussions and debates. For this we need people able to develop the dialogue with both the people in the country and the development partners in order to regain the credibility that we were credited with in 2009 and which we have wasted in the last five to six years.

And we need something else. Perpetuating the situation with decision centres outside the state institutions is an inadequate and non-democratic model of governance. Therefore, what we are witnessing now in the society is antagonizing

groups—one is trying by all means to stay in power, while the other is trying to assert itself in the society and obtain the necessary support. Even at the level of some institutions such as Presidency we can finally see some courage in an attempt to get on to the system we are having now.

■ **Lina Grău:** An analysis of the number of seats in Parliament seems to suggest that the candidate for prime minister Ion Sturza could not be voted. Could this be a beginning of cooperation between the centre-right forces in the society that can make a real alternative to the current government?

■ **Veaceslav Negruță:** Certainly, mathematically speaking, the new government will practically not be able to get the necessary number of votes. It is unfortunate as things should start changing as soon as possible. What may follow after this failure? I'm not ruling out that we may face even more serious political deadlocks, including early elections or a vote of no confidence to the president organized in Parliament.

The situation though should be seen with certain optimism. Because as long as new political leaders appear in the society, there is still optimism that in a relatively short time there will be a real alternative to this government. In some situations, including early elections, there is hope that the face and structure of the Parliament will change as well as the majority that will be making decisions. Maybe then there will be people able to discuss public policies rather than group interests. So despite the critical situation we are now facing, there is still some optimism.

■ **Lina Grău:** In your perception, how big is the resistance to an

eventual change of the system? They keep talking about the fact that Mr. Plahotniuc has to go...

■ **Veaceslav Negruță:** The resistance of this system is much bigger than we can imagine just because this political-oligarchic group has deep roots in the state institutions and media institutions serving its interests that make the system rather resistant.

But it is important to understand that this system is illegal - the political decisions are made outside the public institutions or the public institutions are not free to do justice, or to take economic and financial decisions in the public interest and in accordance with the law, while the mass media very often does not inform correctly the society. From this point of view, the resistance appears to be consolidated.

But we also see elements of disturbance to the system – they feel the things are getting out of their control and take hasty decisions in an attempt to keep the system up. I hope they will not succeed in doing this.

■ **Lina Grău:** Regarding the economic aspects, can we make an inventory of the economic losses suffered by Moldova as a result of the political crisis that started last year after the parliamentary elections from 30 November 2014?

■ **Veaceslav Negruță:** Certainly, we can make an estimate of the losses. At the end of 2015, we will see also the figures - the economy will have decreased and genuine investments will have withdrawn - the so-called direct investments are coming only from offshore zones and I do not rule out the fact that some of this money is the money which was withdrawn in 2014 from the Moldovan banking

system. Sure, there will be reductions in the import and export indicators of almost 25-30%, which means fewer and smaller activities.

Another indicator are the remittances that decreased by more than 35 percent. After all, it was the flow of remittances that generated the consumption which in its turn, generated the economic activity and the budget revenues. In addition, we are witnessing less VAT collection than expected.

The Republic of Moldova is facing a continuous economic crisis, which is overlapping with the institutional crisis, the banking sector crisis that all have an impact on the public finances, generating the social crisis through increased prices, high cost of living and reduced purchasing power. All these five crises are sustaining one another and what makes the situation even worse, they all came at the same time.

So the perspectives for 2016 are rather grim. We have had a political crisis after the elections - a period in which we had several governments -some with reduced mandate, others with full mandate, but in the end, the country has had no coherent economic and financial policies for the simple reason that it had no Memorandum with the IMF to give consistency to the policies.

Because of the political crisis, the external financial support that had been planned for the 2015 budget has been suspended – the EU and the World Bank have virtually frozen the budget support. The direct and indirect effect of the latter for the year 2015 is 3 billion MDL which was supposed to enter the budget in the form of grants and loans to finance the deficit.

Accordingly, the situation is getting

worse from one day to another, including because we have not even an anti-crisis plan to respond adequately to the situation the country finds itself in. The IMF mission postponed its visit several times because of the actions of the Moldovan authorities. IMF is not ready to talk openly simply because the authorities are directly or indirectly involved in the theft of the banking system and because of the lack of transparency dominating the banking sector and of the heavy burden that would later on be put on the taxpayers' shoulders.

Unfortunately, the investigation which was started in order to find out what happened in the banking sector and secondly, how to recover the billions of lei stolen from the banking system, was not brought to an end.

■ **Lina Grâu:** You mentioned about the direct effects of the suspension of funds by Moldova's development partners - WB, EU, and EBRD. Also the USA is not continuing with a new Compact program for Moldova... What other effects will this have on the Moldovan economy?

■ **Veaceslav Negruță:** It is true that currently, we can see only the immediate effects of the suspension of funds by the development partners. The long-term effects is the uncertainty, the lack of confidence in the dialogue with the Moldovan authorities, while for the investors this situation is a clear signal that Moldova is a very risky place to invest, because one day you may lose everything you invested.

Sure, this situation will have a long-term impact, as the banking system which until recently has been one of the most developed and well-organized sectors, is now mostly affected and even destroyed. We know

that it is the banking system in any country that actually allows for the movement of blood and ensures the life of an organism, while we are now experiencing blockages in this sector that lead to specific crises in the public finance and also in the private sector as the entrepreneurs have no longer the possibility to borrow at affordable interest rates and thus cannot develop. From this point of view, the investors having businesses in Moldova are experiencing a total uncertainty and are thinking of closing down or selling their businesses and leaving the country.

This is sad and in the long-term period, the Moldovan society may be left without active population as the demographic situation is worsening and population is aging increasing the burden on the public sector and social security. I do not exclude the fact that in the next period the tax burden will increase as the public sector and social system will have to be funded. How? If the internal or external financing is not ensured, the funding of the above-mentioned sectors will be done through the entrepreneurs that are still active.

■ **Lina Grâu:** You mentioned about the IMF mission. Before its arrival, the experts were saying that the signing of a memorandum with the IMF is of vital importance for Moldova given the extremely bad budgetary situation. We see that because of the resignation of the National Bank governor a new memorandum with the IMF will not be signed in the near future. What is the real situation of the Moldovan budget? Some experts argue that there is risk that Moldova will not be able to pay the pensions and salaries...

■ **Veaceslav Negruță:** It is true that the resignation of the Gaburici government and of the head of the Moldovan

National Bank (BNM) just on the eve of the IMF mission, are not accidental. The IMF mission has remained thus with only a monitoring mandate without any mandate to negotiate an agreement. Obviously, all this only makes the budget situation even worse.

As far as the budget is concerned, we can observe that the collection of revenues is weaker than originally foreseen and secondly, on the expenditure side we have a deficit of six billion lei which had been planned for the first nine months of the year. The expenditures are not made simply because there is no funding and money to make the payments. We know that the Finance Ministry was forced to apply budget sequestration for lack of financing, which is the explanation of the six billion outstanding charges.

The situation is getting worse from one day to another and there is no even adequate budget rectification, which means that the budget should be adjusted to the new realities - lack of financing, the macroeconomic framework which is different from that in which the budget was originally set. Let us not forget that the budget was not even approved by Parliament, but through assumption of responsibility by the Government at the time when the situation was already known to be serious.

It is true that Moldova is not yet in the risk for failing to honour its external payments. The external payments are honoured, because the external debt service is protected by the law and considered a priority. But if we look at the domestic payments, we may very soon face a default. I do not exclude the fact that in January we could face difficulties in paying the salaries, pensions, and making the transfers to the social and medical insurance funds.

The memorandum with the IMF is vital to the survival of the public finances of the country. Unfortunately, we see that this is not a priority for the so-called Moldovan political elite. They understand the seriousness of the problem, but apparently are guided by another agenda.

■ **Lina Grâu:** The Republic of Moldova signed the Association Agreement with the EU, including the Free Trade Area. To what extent is this document functional and how is Moldova coping with its commitments to align to the European standards? Are we still on that path?

■ **Veaceslav Negruță:** It's a good question – officially, we are still on that path and we are moving well. But if we look at the realities, of course, the things develop differently than originally assumed with the signing of the Association Agreement. We have an Action Plan that had to be implemented based on the agreement and we see an enormous distance between the commitments and the achievements - practically nothing was done. What's more - we see that this plan was not part of the government priorities in the past year, while in some areas there is even a regress comparing to the situation when the Association Agreement was signed. From this point of view, there is very much work to do in order to comply with the requirements under the Association Agreement and Free Trade Area.

Unfortunately, the business community and the private sector has not fully benefited from the facilities offered by the agreement, including because those who negotiated and put their signatures on the Free Trade Agreement no longer work for the institutions. There is no institutional memory in the ministries, particularly

when it comes to the Ministry of Agriculture. I mean, there is nothing left to continue the dialogue, the training and the preparation of the business sector so that it can benefit from the facilities offered by the Agreement.

There is an enormous handicap in this regard. In addition, the funds supposed to be allocated for the development of the rural sector, should have somehow helped the businesses to subsequently benefit from the facilities offered by the Free Trade Agreement. And what we have at the moment is suspended funds. So Moldova failed to exploit the existent opportunities. Why? Because the politics has decided otherwise.

■ **Lina Grâu:** What is your forecast for the next period? Things are going from bad to worse, but it seems that the bottom has not been reached yet...

■ **Veaceslav Negruță:** I think the pit bottom has already been reached, only out of curiosity we are still digging to see whether there is another bottom...

It is true that 2016 is going to be more difficult than 2015 - politically, economically and financially. There is no fiscal policy, we have no adequate budget; we have neither assured internal financial support nor the usual 10-12% external aid to the budget. There is a deadlock in the dialogue with the development partners and we hear confusing messages coming from the country leadership when some declare one thing and others say the opposite regarding the IMF and the perspective ... This worries us the most, because it shows that there is no communication between the parties of the governing alliance or the country's political leadership. The president, speaker and prime minister communicate only through mass media statements and it is unclear when they plan to stop such communication with the society.

■ **Lina Grâu:** When and how can this economic downturn be stopped? What factors could determine stopping of this decline and eventually a recovery of the Moldovan economy?

■ **Veaceslav Negruță:** As soon as we have a political leadership and governance accountable to its citizens. There current political leaders have no commitment towards the development priorities of the society. Regarding the strategic documents signed by Moldova – the Association Agreement and others – we are witnessing a total slippage. From this point of view, pessimism is prevailing.

■ **Lina Grâu:** From the point of view of the economic recovery of Moldova, could the change of the foreign policy orientation by reformatting the coalition government into a center-left one be a solution?

■ **Veaceslav Negruță:** I do not think the development orientation can help. This could shock the whole society and create discomfort. If Moldova declared European integration as its strategic goal it should obviously continue this way. The self-isolation that has been "promoted" lately is contraindicated.

The costs are obviously too high simply because the authorities and the government are irresponsible. We missed the chances we have been offered by our development partners. What we should rethink now it is not the model of development but the governance model. The current political class is not credible any longer and the theft in the banking system, or the robbery of the century as we call it, is the litmus paper which showed the true face of those who are leading Moldova.

# Transnistrian region – economic, social and political crisis



***The negotiations on the Transnistrian settlement have not advanced at all this year against the background of ongoing political crisis in Chisinau, but also of the general and local elections which took place in Transnistria.***

The budget crisis in the breakaway enclave had an unprecedented increase, the region's budget losing one fifth of its revenues, while the pensions and salaries have been paid since March only up to 70 percent. In October-November, the Transnistrian mass media was reporting that the Tiraspol administration had found external sources to borrow in order to pay the pensions and salaries, though without mentioning the source, the size and the conditions of the loan. The leader of the breakaway region, Yevgeny Shevchuk, promised to pay at the beginning of 2016 all the pension and salary arrears. These promises seem to be made in the context of the next year presidential elections when Shevchuk hopes to obtain a new presidential mandate. The promise could have been made on the account of the external loan whose

source has not been specified. It is unlikely that the budget could cover this debt, given that the draft budget for 2016 reveals a deficit almost equal to the revenues. The Transnistrian budget revenues for next year are estimated at 212 million US dollars, while the expenses – at 436 million US dollars.

Yevgeny Shevchuk tried to shift the responsibility for the crisis onto the economic agents who had allegedly avoided fulfilling their obligations towards the society. These arguments though did not matter very much in the general elections for the Supreme Soviet. The supporters of Yevgeny Shevchuk took about one third of the 43 seats of MP, the rest having been occupied by the Obnovlenie Party that is affiliated to the business community, in particular to the Sheriff holding. Shevchuk's supporters have tried to organize protests against the elections results, initially announcing them as being for an indefinite period of time, but they have lasted only a few hours. Shevchuk convened the first session of the Supreme Soviet on December 23, one week before the New

Year, while the elections were held on November 29.

The traditional Bavaria meeting hosted annually by Germany and which this year took place in late October, has yielded some results but have not been made public yet. The EU seems to have accepted extension of the Autonomous Trade Preference for the Transnistrian companies for another year. This means that the entry into force of the Free Trade Agreement for the Transnistrian region has been again postponed. Instead, Tiraspol commitment to the EU to adopt a series of changes in the regional economy, including to begin the transition in the application of VAT starting with 2016.

The Tiraspol administration, led by Yevgeny Shevchuk, has announced about this after the elections to the Supreme Soviet, which is after about one month since the decision has been taken. Although Chisinau confirmed that the Transnistrian companies will continue exporting to the EU without additional taxes next year, keeps yet silent on the details of the deal. The experts say it's about a verbal agreement between the EU, Chisinau and Tiraspol and that there is no written document.

According to the statistics, in the first ten months of the year, only 7 percent of Transnistrian exports went to the Russian market. Another 7 percent of goods were exported to Ukraine, while the trade with Romania was double. In total, the EU market absorbs more than 40 percent of Transnistrian exports.

*Lina Grău*

## **Victor Osipov: Separation between Transnistria and the rest of Moldova has deepened, while the negotiations have been blocked**

**T**he acting Vice Prime Minister for Reintegration, Victor Osipov, said that the negotiations on the Transnistrian settlement have not advanced this year, having been affected by the political crisis in Chisinau. The negotiations in the 5 + 2 format as well as the dialogue between Chisinau and Tiraspol have been virtually blocked, says the Moldovan Deputy Prime Minister for Reintegration, Victor Osipov. During an event organized by IDIS future, Victor Osipov made an assessment of the current stage of the settlement process of the conflict.

### **Chisinau vision of the Transnistrian regulation process**

If you are asking me now to talk about what government reintegration policies will be promoted in the next decade, then I'm flattered - I have no extrasensory abilities. Only if the Government that I'm representing and the ruling coalition could meet the challenges of the moment and the challenges of the coming months and years, until the end of the term of the Government program.

I agree though that we should have a vision and also be realistic when it comes to the Transnistrian issue. Realistic means that we should not get stuck in old patterns and projects and that we should not limit ourselves to the way things have been regarded and processes delivered for years, as in many areas there has been no progress.

More than that, I would even say I am one of those who disagree with the



Valentina Ursu (RFERL)

assessment that there is a status quo in terms of the situation in the eastern region of Moldova -the Transnistrian region- the relations between Chisinau and Tiraspol in the negotiating process ... There is no status quo, there is dynamics and a certain way in which things are developing.

I will not make a thorough analysis, but my conclusion is that things are getting worse. The separation between Transnistria and the rest of Moldova has only become deeper in the last years. The Reintegration Government team together with other structures have worked in 2009-2010 to relaunch the negotiations, the process having restarted at the end of 2011. Since June though, when the Association Agreement with the EU started virtually to be implemented - and I'm making a direct link between the two events -the negotiations have been practically suspended. Nobody wants to admit that we have no negotiations, but meetings in the 5 + 2 format have not taken place since then. All pseudo-state elements of the Tiraspol administration

have multiplied and developed over the last years.

Moreover, we must admit that since the end of 2012 when the negotiations were resumed, they have never touched the main subject – the political settlement of the Transnistrian problem, a goal for which we have been having discussions with the people in Tiraspol. The national interest of the Republic of Moldova is to solve this problem politically, to overcome it, remove it and bring back this space into the legal jurisdiction of the Republic of Moldova and save the people there. The majority of people there are Moldovan citizens – about 300 thousand of them have obtained the citizenship of the Republic of Moldova and nearly 100,000 people have obtained biometric passports which enable them to benefit from the generous offer of the liberalized travel within the European Union. And it is our duty to release the people who are held hostages of the Transnistrian conflict.

## Policy re-evaluation

If things have not been progressing in the way they have been managed up to now, it means that something is not working, it means that we must look for reasons and find new solutions and ideas that would allow for the political negotiations on the reintegration of Moldova to be productive. I will refer to the last meeting of the Reintegration Commission, which set up such objectives.

I can tell you that now we are in a phase of reassessment of policies, and namely starting from the ascertainment of the lack of results in the past 23 years or, as I said above, even some counter results that we have all observed. And without

anticipating, I express hope that the joint effort of the state authorities and expert community, including the civil society, can help us calibrate differently, invent new tactics, specify the strategy so that we finally have a clear strategy and vision.

Let's recognize that at present, Moldova does not have a strategy for reintegration; Moldova still has a tiny budget that it allocates from the state resources for such policies; Moldova is still working with a governmental structure that is undersized and lacking the status of a central public authority. The Bureau for Reintegration is now a kind of division within the State Chancellery that is not even

part of the government, being only a support structure to the government. This describes very well the lack of consistency in the tools that we are working with in order to solve a problem that requires effort, more developed and better coordinated skills. It is not an easy task, but we cannot pretend that there are no problems and that we can continue this "ritual" called "reintegration" - with negotiations in the 1 + 1, 5 + 2 formats, which is no real policy focused on results.

I hope very much that together with the civil society experts we will be able to articulate better our interests in this area and defend our people in the Transnistrian region.

## Victor Chirilă: I am convinced that we will have a new power in Moldova

**The executive director of the Foreign Policy Association, Victor Chirila, believes that Moldova is about to form a new political power.**

■ **Lina Grău:** We are at the end of 2015. At the end of the last year we were discussing that this could be the year of Moldova's crowning effort on the way toward the European integration and the year when this process would become irreversible. What is the reality now, at the end of 2015?

■ **Victor Chirilă:** That should have happened, because on 30 November 2014, when we elected the new government, we all relied on the fact that the pro-European parties will relaunch the European agenda, the Association Agreement will be implemented at a rapid pace and that



the Republic of Moldova will advance towards the EU.

Unfortunately, it was not to happen. One day after the elections, we actually

realized that we had made a very bad choice and that these parties had actually lied to us and that they had hidden from us the stolen billion, which had actually blew up the banking system. Our economy has been in a constant degradation since then and we can already notice elements of a social crisis, the protests having acquired a permanent character. We had two governments that failed. The so-called pro-European political parties have been trying to form a new coalition and a new government for already one and a half month, having failed to do it so far.

The population is disappointed with the state of affairs in the country - almost 90 percent of citizens are not satisfied with the direction Moldova is heading to being dissatisfied with the quality of the political class and having no confidence in the institutions that have to solve their problems and protect them from internal and external risks ...

Moreover, the current government – the so-called pro-European parties - has lost the legitimacy to govern the Republic of Moldova, having lost even the mandate that we gave them in November 2014 in order to govern and implement the reforms committed to the European partners.

■ **Lina Grâu:** The opposition parties- the leftist ones - are in a strong offensive. We saw the last public opinion survey that indicates they might get the majority in case of early elections. What solutions do you see in order to get out of this situation where things seem to get from bad to worse? Any decision appears to be a bad one at this moment.

■ **Victor Chirilă:** From my point of view which does not coincide with that of many experts and politicians, it is the

democracy that should find the natural solution to the crisis in which we find ourselves. The citizens should use the democratic instruments and elect the future of this country. In recent years we have too often chosen the lesser evil, which every time turned into a bigger evil. And this bigger evil is now the so-called pro-European parties that have no identity, are captured by obscure and oligarchic interests, their members don't decide on the party policy, the latter being decided by a limited group of people who don't represent the interests and choices of their voters.

This situation is called lack of democracy or violation democratic principles of governance. The citizens should get back to the basic principles of governance as agreed when Moldova was declared independent and as it is enshrined in the Constitution.

If the political class lacks legitimacy, if the parties do not represent the people who elected them, then they should leave and others come. It is the citizens who should decide who should govern Moldova.

I do not believe in the fairy tales saying that we should choose the lesser evil in order to face the bigger evil which is called the Russian Federation and the pro-Russian parties. The so called pro-European parties that are corrupt and have turned a blind eye to the immense money laundering of 20 billion dollars that passed from the Russian Federation through the Moldovan banks with the involvement of the Moldovan judiciary, do they have the right or are they able to face the pressure coming from the Russian Federation? They are complicit in increasing the Russian pressure and the presence of the Russian obscure interests in the Republic of Moldova.

How can these parties defend me from external risks, when they cannot defend themselves?

■ **Lina Grâu:** The leftist opposition is recognized as supporting the interests of the Russian Federation. What you are saying is that the right-wing parties are, de facto, representing the same interests in Moldova...

■ **Victor Chirilă:** We should not generalize when we speak about right-wing parties - I'm talking about the parties that have compromised themselves being in government, because now there is a tendency of new right-wing parties' development. When we talk about Iurie's Leanca party, even if Mr Leanca is blamed for what happened, we cannot blame the entire party which is developing now and which, we must admit, is enjoying popularity. There is also the Truth and Dignity Platform that is enjoying a growing support. And I don't rule out that these two parties and maybe others that will appear will replace the current right-wing parties which are corrupt, compromised, and unable to further promote the European integration agenda.

■ **Lina Grâu:** In realistic terms, development of political parties takes time, so it is unlikely in the case of early elections in spring that these parties obtain the majority of votes, as it happened in the case of the parties that we have called pro-European for a while. What is the perspective of Moldova then?

■ **Victor Chirilă:** I'd like to get back to the risk of having pro-Russian parties in government. I think it is the society that should deal with any attempt to revise the domestic and foreign policy agenda of the country, the development orientation and principles. Because

when we speak about orientation, we are talking about the principles and development models of the country, the economy, the institutions, and the judiciary.

So, it is the society that should be able to cope with such pressure. And I think that our society is able to do it. And I'm not speaking only about polls, which show that the pro-European option has still a big support. Even those who are still undecided or dissatisfied with what is happening, in reality are seeking a new alternative for Moldova to become a modern country, a country close to Europe and the European standards.

Therefore, we must not rely on the parties that do not represent us at all and that cannot cope with the external pressure, not to mention the growing internal challenges.

What are the prospects? Well, we should not expect easy times. We must prepare indeed, for attempts to revisit certain reforms and the development options for our country. But I am convinced that the society is quite aware of the situation and has enough resources to cope with such challenges. I think there are enough people who can actively engage in reconsidering and re-evaluating the right-wing parties and their objectives and methods of doing politics. They are able to change the mentality when it comes to engaging in politics.

So I think the society will overcome the difficulties awaiting us in the near future but I do not think the society can afford once again to rely on those political actors who disappointed us so many times and who have demonstrated that they don't deserve our trust or another chance.

And I'm surprised that the European partners are trying to give another chance to the parties whom they criticized and blamed for all the evils in Moldova. They are giving them another chance to represent the European integration agenda. These people will irreversibly compromise the European integration agenda and the European and democratic parties in general, if they are let to govern for another year.

■ **Lina Grâu:** During 2014 we have talked about Moldova as a success story. How was the Republic of Moldova seen in 2015 from the outside by our European partners?

■ **Victor Chirilă:** It was a lost year for Moldova, a year without reforms, a year with a lot of laws that have not been approved by the Parliament. We can say that the Moldovan Parliament has not worked this year, so it was not functional. We have paid to people who have not done their job, have not worked, and have not deserved the salary they received.

It was a lost year in terms of reforms, a year of economic decay and social degradation. It was a year of general degradation of the civic spirit and morality in Moldova. I can't remember such critical times for the country in our recent history. We went too much down and I fear there is room for lower and lower. But certainly, we will regain and I hope this will happen very soon.

But, again, from the outside this looks as a lost year for Moldova. Our country has lost the unconditional support of the European Union for reforms and for getting closer to the EU in general. I think this is the biggest loss that neither our diplomacy that has been effective in the past could cope with.

We have lost the strategic relationship we had with Berlin that has been carefully built for several years. There is no confidence in the current government and the political class in general. We have lost also the confidence of most European capitals. No European dares any more to come to Moldova in order to mediate an eventual deal, a possible compromise between the political parties, because there is no longer trust.

Therefore I think we're in a critical situation and in order to get out of this impasse we need a new government both in form and substance.

■ **Lina Grâu:** You said the support of Western partners will never be the same. Will the western support continue? To what extent will it be conditional?

■ **Victor Chirilă:** The support from now on will be strictly conditioned by reforms. It wasn't by accident that this year the EU assistance for the judiciary reform has been suspended. And it wasn't by accident that the World Bank assistance was suspended and that the International Monetary Fund is not coming to Moldova to negotiate a new agreement for assistance as long as there is no assurance that Chisinau has a stable government ready for radical and tough reforms, especially for the oligarchic interests. The reforms should ensure that the money coming to Moldova will be used in accordance with the agreed commitments and will not disappear.

Now, unless the one billion dollars fraud is investigated, no one dares to provide us assistance and invest in Moldova. That is why the investigation of this fraud is one of the

conditionalities. Stabilizing the banking system is another conditionality as well as the cleaning of the banking system from obscure elements. These things, unfortunately, did not happen in 2015.

The judicial system has not been reformed and neither the Prosecution office has. The Prosecution Office Reform stalled, because the Parliament failed again to approve the law on the Prosecution Reform.

And also, unfortunately, it's not that we don't have professional civil servants - for they are many - but we have very few civil servants with dignity and courage to perform their duties according to the law. In particular, I refer to the various institutions called to fight against corruption and to monitor the stability of the banking system. These people are not fulfilling their duties. Instead, they accept indications from people who positioned themselves above the institutional system in Moldova, which is nonsense and dangerous for the functioning of this state.

■ **Lina Grău:** The situation in Moldova is quite pessimistic for those who sincerely believed in the process of Moldova's European integration. Things

look as if not even the next Parliament will be able to promote effectively this line of the foreign policy. In situations like this I'm thinking about individual solutions for the society and for each person separately. What do you think are the solutions so that the hope of the European perspective does not leave the Moldovan society in these difficult years to come?

■ **Victor Chirilă:** First, I think, we need to sweep away this political class that is still trying to stay in power at any cost. This cleaning needs to happen in a democratic way. Unfortunately, they are delaying the democratic solution and in this situation violent demonstrations can break away, because the frustration in the society is very, very high and the discontent is growing every day. So, a single spark can ignite a big fire in our country and, unfortunately, the politicians avoid understanding this.

The recent decision of the Intelligence and Security Service to deploy its representatives in each institution, in my view, is not by any means an attempt to deal with any foreign intelligence agents or external risks, but to intimidate people in these institutions and to maintain control

over these institutions at any cost. This is the essence of this absurd decision, in my view. This proves that the so-called pro-European politicians are losing the sense of reason.

In general, the society should demand elections and make right choices. It matters very much what we choose. I do not think we can afford to be absent from the upcoming elections. We cannot afford this. But we should choose new people, people who want changes, people of integrity, people who can be monitored by the society. It is important for the society to remain engaged after elections and monitor the new power. I am convinced that we will have new power in Moldova.

Therefore we should all be active - this is extremely important. And, of course, we should fulfil our duties at our work place. I am referring primarily to the civil servants and especially to the high-ranking officials who should not wait for instructions from political parties or people and stop complaining there is no political will.

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