

ECEAP analysis: Political Developments in Moldova

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Abstract

The topics of integration into the EU, the position of the breakaway region of Transnistria, relations with Romania and with Russia and popular discontent with widespread corruption dominate the political discussions in Moldova. Political situation in Moldova has been unstable for the last years, as there are serious allegations of corruption against ruling parties' coalition and differences among political forces in opinion whether the country should continue its present course of integration process with European Union or choose instead to integrate with Russian led Eurasian Economic Union.

The ruling government coalition led by Democratic Party which has ruled the country since 2014 parliamentary elections, has been losing popular support ahead of the parliamentary elections in February 2019. The Government of Prime Minister Pavel Filip has the support of 50 members in Parliament of 101. Also many Moldovans resent the influence of Democratic Party leader Vladimir Plahotniuc, who wields power not only as politician, but also as an owner of country's main media outlets. At the same time the popularity of the main opposition party, Socialist Party, is raising. Example of the rise of popularity of Socialists is the fact that Moldovan presidential elections in 2016 were won by the opposition Socialist Party candidate Igor Dodon. However, the popularity of two new main pro-European opposition parties not currently represented in Parliament has also been growing: The Party of Action and Solidarity, a liberal pro-EU political party led by Maia Sandu and The Dignity and Truth Platform Party, a centre-right political party in Moldova, led by Andrei Nastase. Therefore, it is too early to tell, what the post-election political landscape in Moldova would look like.

According to the EU 2018 Association Implementation Report on Moldova the Republic of Moldova has advanced with the implementation of some reforms, but further action is still required for its citizens to reap the full benefits of the Association Agreement.

It is unlikely that the 2019 election will alter the fundamental divisions and balance in Moldova. Only an unlikely clear victory of pro-reform new parties can open a way to radical reforms, economic growth, and putting an end to the endemic corruption.

Main political and economic issues in Moldova

The topics of integration into the EU, the position of the breakaway region of Transnistria, relations with Romania and with Russia and popular discontent with widespread corruption dominate the political discussions in Moldova.

According to the **Action Programme of the Government of Moldova for 2016–2018**¹, which underpins the activity of the Government of Republic of Moldova for 2016–2018, the main objective is to increase the welfare, safety and quality of the life of citizens, in particular by: economic development and facilitating well paid job creation, eradication of corruption and ensuring the rule of law, personal security, national defence capacity building, accessible and cost-effective public services, social protection for population vulnerable populations. It is significant that in programme the fight against corruption is described as the first priority. According to the programme the surest way to achieve the Government's objectives is the EU integration. For this purpose, the Government is set to create all prerequisites, which once developed, will make Moldova eligible to get the statute of candidate-country for EU accession.

Although Moldova has been generally successful in its **Eastern Partnership cooperation** with EU (Association Agreement and visa freedom with EU have come in force), serious issues remain in conducting reforms necessary for further developing the EU–Moldova cooperation. Due to the lack of real reforms, the passing of contradictory laws, and wiggling out of international commitments and external partners' lack of trust in the Moldovan government led to the postponing of **EU macrofinancial assistance** (MAF) in the amount of €100 million (\$119 million) in 2017 and 2018.² According to the Memorandum of Understanding (MoU) signed by EU and the Moldovan authorities, the MAF now includes 28 conditionality measures in the areas such as public governance, financial sector governance, energy sector reforms, and tackling corruption. At the same time, all disbursements under the program are tied to political preconditions regarding respect for democratic mechanisms, the rule of law and human rights, media, and electoral process, which have not been met so far.³

At the same time the **debate between main political forces over countries foreign policy orientation continues**. Parliament debates have become a forum for ruling Democratic Party (PDM) and opposition Socialist Party (PSRM) to express their

¹ Action Programme of the Government of Moldova for 2016/2018 https://gov.md/sites/default/files/document/attachments/government_of_republic_of_moldova_-_action_programme_of_the_government_of_republic_of_moldova_for_2016-2018.pdf

² Alexander Tanas, EU freezes aid to Moldova as row over mayoral election festers. – Reuters, 4 July 2018 <https://www.reuters.com/article/us-moldova-protests-eu/eu-freezes-aid-to-moldova-as-row-over-mayoral-election-festers-idUSKBN1JU2G7>

³ Nations in Transit 2018. – Freedom House (site accessed 20.10.2018) <https://freedomhouse.org/report/nations-transit/2018/moldova>

geopolitical preferences — with PDM expressing pro-Western views and PSRM expressing pro-Russian sympathies. The pro-European ruling coalition in Parliament and pro-European forces outside it support continuing and deepening integration with European Union. Also recent IRI public opinion poll shows that 48% Moldovans support joining European Union, while only 37% would prefer membership in Russia led Eurasian Economic Union. But only 23% would support joining NATO, while 35% are would be strongly opposed to such move.⁴ Meanwhile, Socialist president Igor Dodon transformed the presidency into a platform for relaunching dialogue with Russia and promoting pro-Russian opinions, thus creating confusion about the sustainability of the country's European integration agenda.⁵ The Socialists would like that the country would join the Eurasian Economic Union led by Russia. Socialists also are opposed to closer relations with Romania and want Moldova to remain a neutral country (no closer relations with NATO).

Issue of reuniting **Transnistria** has been main foreign policy goal for Moldova since the civil war in 1992, when this region broke away from Moldova and formed a separatist territory. Situation has remained a “frozen conflict” to this day. Transnistria is designated by the Republic of Moldova as the Transnistria autonomous territorial unit with a special legal status. The region is considered by the UN and most of international community to be part of Moldova. Transnistria has been recognised only by three other non-recognised states: Abkhazia, Nagorno-Karabakh and South Ossetia. However, presently Transnistria continues its quasi-independent existence under the protection of Russian armed forces contingent and has not been so far been interested in Moldovan reunification proposals.

The Organization for Security and Co-operation in Europe (OSCE) continues to facilitate a negotiated settlement. The so-called “**5 + 2 Talks**” (carried out by Transnistria, Moldova, Ukraine, Russia and the OSCE, plus the US and the EU as external observers) were started in Vienna 2011 and continue to this day. In November 2017 a new round of negotiations in the 5+2 format took place in Vienna. President Dodon failed at attempts to discuss solutions to the conflict with the *de facto* Transnistrian authorities, producing adverse and antagonistic reactions instead. Separately some progress was achieved in 2017, including signed agreements on the apostilization of educational documents issued in Transnistria, as well as the opening of the new bridge across the Nistru River.⁶

The European Union Border Assistance Mission (EUBAM) to Moldova and Ukraine was launched in 2005. Illicit cross-border activities, including trafficking of human

⁴Public Opinion Survey: Residents of Moldova September 11-October 16, 2018 – The International Republican Institute https://www.iri.org/sites/default/files/2018-11-15_moldova_poll.pdf

⁵Nations in Transit 2018. – Freedom House (site accessed 20.10.2018) <https://freedomhouse.org/report/nations-transit/2018/moldova>

⁶Nations in Transit 2018. – Freedom House (site accessed 20.10.2018) <https://freedomhouse.org/report/nations-transit/2018/moldova>

beings, smuggling and other illegal trade, were occurring along the Moldova–Ukraine border. This is aggravated by the fact that the Moldovan government has no direct control over the secessionist region of Transnistria in Moldova (which stretches along 454 km of the Moldova–Ukraine border). The aim of EUBAM is to support Moldova’s and Ukraine’s efforts to effectively manage their common border and actively support concrete measures contributing to the settlement of the Transnistrian conflict.

Among **domestic issues** there has been positive change in general **economic situation**. In 2017 the Moldovan economy managed to slightly recover after the decline from 2014–2016 and registered a 3 percent growth. In the first half of 2018, real GDP increased by 4.5% mainly driven by private consumption and capital formation. In 2018 growth is expected to reach 4.8% in 2018 thanks to strong domestic demand. The economy is expected to continue to grow by 4% on average in 2018-2020 supported by remittances and real wage growth induced private consumption.⁷ The EU has become Moldova’s main trade partner. In 2017 the total of EU–Moldova bilateral trade amounted to EUR 4 billion, which represents a 18% increase compared to the same period of the previous year. The EU share in Moldova’s export has been increasing steadily since the entry into force of the Association Agreement/Deep and Comprehensive Free Trade Area (AA/DCFTA), and it accounts for around 55% of Moldovan total trade.⁸

However, the poverty, unemployment, emigration and corruption remain main problems for most Moldovans, as they have seen little improvement in their own economic situation. According to IRI public opinion poll September–October 2018 Moldovans listed as countries biggest problems (respondents permitted to supply three spontaneous answers): low income/pensions 38%, corruption 29%, unemployment 27%, and emigration 21%. 71% of respondents agreed with the statement that Moldova needs serious reforms. Only 10% of respondents thought that country is governed by interests of majority of people, while 86% thought that country is governed in the interests of some groups. 77% thought that corruption is big issue in Moldova.⁹

In fact, the **emigration** of working age population is a serious problem. According to the official Moldovan Border Police data, the amount of Moldovans currently residing abroad 2015 was approximately 753,800 (some unofficial estimates are much higher). They were predominantly in Russia (more than 55% of Moldovan migrants in 2014), as well as in Western Europe, particularly in Italy (more than 15% of Moldovan migrants in 2014). Remittances from Moldovans abroad accounted in 2017 for almost 20% of

⁷ Moldova Economic Update November 1, 2018 - The World Bank (site accessed 15.11.2018) <http://pubdocs.worldbank.org/en/817011541049888223/Moldova-Economic-Update-2018-ENG-Final.pdf>

⁸ Joint Staff Working Document Association Implementation Report on Moldova. European Commission, 3.4.2018 SWD(2018) 94 final https://cdn4-eeas.fpfis.tech.ec.europa.eu/cdn/farfuture/Bsw7bS5h390fCujCmGRX1jA5BgD-cARl6Z_E_fG86jZA/mtime:1522915732/sites/eeas/files/association_implementation_report_on_moldova.pdf

⁹ Public Opinion Survey: Residents of Moldova September 11–October 16, 2018 – The International Republican Institute https://www.iri.org/sites/default/files/2018-11-15_moldova_poll.pdf

Moldova's GDP, among ten highest percentages in the world.¹⁰ Great number of Moldovans hold also Romanian passports and double citizenship, although their primary reason is to live and work conveniently in EU and it does not mean that they support unification of Moldova with Romania.

Political developments in Moldova since 2014 Parliamentary elections

According to the final results of the elections on 30 November 2014, the electoral threshold was passed by 5 parties, which obtained the corresponding number of MP mandates: the Party of Socialists of the Republic of Moldova (PSRM) gathered 20.51% of votes (25 mandates); the Liberal Democratic Party of Moldova (PLDM) — 20.16% (23 mandates); the Party of Communists of the Republic of Moldova (PCRM) — 17.48% (21 mandates); the Democratic Party of Moldova (PDM) — 15.80% (19 mandates); and the Liberal Party (PL) — 9.67% (13 mandates).¹¹

However, since the elections the **Democratic Party** has succeeded in growing their numbers to 42 MPs, taking in members from its coalition partners, and also from opposition parties, and has become the most powerful force in Parliament. Recently the popularity of two new main pro-European opposition parties not currently represented in Parliament has also been growing: **The Party of Action and Solidarity** (PAS), which is a liberal pro-EU political party led by **Maia Sandu** and **The Dignity and Truth Platform Party** (PPDA), which is a centre-right political party, led by **Andrei Nastase**.

Before the election three-party pro-European-Union coalition did run Moldova since 2009. It was composed of the Democratic, Liberal and Liberal Democratic Parties and was led by Prime Minister Vlad Filat (2009–2013), later by Iurie Leancă, (2013–2015). The government of Moldova which emerged from coalition talks after the 2014 election did not command parliamentary majority and relied on the support from the Communist Party (PCRM). However soon there was infighting that led to changes in coalition. After the 2014 parliamentary elections, PLDM was the largest and leading of the three democratic pro-European parliamentary parties, but then the power gradually shifted from Liberal Democratic Party to the Democratic Party inside the coalition. Liberal Democratic Party broke up and some of its members formed the European People's Party (PPEM), led by Iurie Leancă, which become member of coalition, while PDLM left. In 2017 Liberal Party withdrew from coalition. Current ruling coalition is designated as Alliance for European Integration III and has 50 places in Parliament of 101 members. PDM has 42 and PPEM 8 MPs. In January 2016 representative of the

¹⁰ Personal remittances, received (% of GDP). – The World Bank (site accessed 20.10.2018) https://data.worldbank.org/indicator/BX.TRF.PWKR.DT.GD.ZS?year_high_desc=true

¹¹ General Information about the Parliamentary Elections of 2014 in Moldova. – e-Democracy (site accessed 20.10.2018) <http://www.e-democracy.md/en/elections/parliamentary/2014/info/>

Democratic Party **Pavel Filip** became Moldova's Prime Minister and holds that position to this day.

Moldovan presidential elections in 2016 were won by **Socialist Party** candidate **Igor Dodon** (52.11% votes in the second round). However, his opponent's **Maia Sandu's** results (in the second round with two candidates 47.89% of votes) show that a desire for genuine pro-European reforms is also alive and enjoys large support among Moldovans.

On 27 June 2014 Moldova signed **Association Agreement** with the European Union and it was being provisionally applied starting on 1 September 2014. On 1 July 2016, the Association Agreement (AA) between the European Union and the Republic of Moldova fully came into force. Moldova also achieved visa free travel with EU in 2014. Signing of Association Agreement prompted Russia to impose import restrictions on the country's agricultural produce, but helped to open new opportunities for growing export to EU.

In November 2014, the so-called **banking scandal** broke. Within this criminal scheme, some \$1 billion dollars, about a twelfth of Moldova's GDP, disappeared from Moldovan banks, was routed through multiple shell companies, and eventually landed in bank accounts in the EU countries purportedly held by several of Moldova's leading pro-European politicians, among them former Prime Minister Vlad Filat. Filat maintained that the entire scheme was masterminded and executed by Plahotniuc to remove him from office. However, court found him guilty. He is currently serving a nine-year jail sentence. As a result the Liberal Democrats reputation was seriously tarnished and its political influence waned.

Since the end of 2015 **Vlad Plahotniuc**, politician and the richest man in Moldova, and formally the leader of the ruling, pro-European **Democratic Party** from December 2016, has been the main *de facto* power broker in Moldovan politics according to many analysts. However, presently Democratic Party has low popular support (around 14.5 %). As a result, the Plahotniuc and his Democratic Party have been forced to work in some issues with President **Igor Dodon**, currently the most popular politician with the Moldovan public, and the opposition **Socialist party**, which has high popular support. Although Socialists constantly emphasise opposition to the Democrats, they have in fact regularly helped ruling coalition in forcing laws through parliament. One could say that by mimicking a "geopolitical fight," the ruling coalition led by Democratic Party and the socialists who are in opposition have created a false internal agenda aimed at eclipsing real problems faced by society such as poverty, corruption, emigration, unemployment.¹²

¹²Nations in Transit 2018. – Freedom House (site accessed 20.10.2018) <https://freedomhouse.org/report/nations-transit/2018/moldova>

According to public opinion IRI poll¹³ conducted in September/October 2018 the support for political parties among respondents was the following: Socialists 32%, Democratic Party 12%, The Party of Action and Solidarity 12%, and The Dignity and Truth Platform Party 12%. Most popular politicians according to this poll were Igor Dodon 27%, Maia Sandu 13%, Andrei Nastase 14%, Pavel Filip 6%, Vladimir Plahotniuc 6%.

Alternatively, a poll conducted in September 2018 by Association of Moldovan Sociologists and Demographers shows much greater support for Socialists and Democratic Party. According to this poll Socialist Party was supported by 47.3%, The Party of Action and Solidarity 15.4%, Democratic Party 14.5% and The Dignity and Truth Platform Party 13.7%, while support for other political parties was significantly lower.¹⁴

The clearest example of this practical cooperation of Socialist and Democratic parties was the adoption of a law changing the electoral system from a proportional to a mixed system by Parliament (ruling coalition with the support of the Socialists) in 2017. This law increases the chances of Democratic Party and its allies as well as Socialists obtaining a satisfactory result in the upcoming general elections.¹⁵ According to the **new electoral law** the 101 seats in the Parliament are to be elected according to a new mixed system: 50 lawmakers will be elected on party lists and the remaining 51 in individual constituencies. The electoral threshold varies depending on the type of list; for alliances of three or more parties it is 11%, for alliances of two parties it is 9%, for single parties or organisations it is 6%, and for independent candidates it is 2%. Turn-out must be at least 33% to make the election valid.¹⁶

In March 2018 more than 10,000 people came to the streets of the Moldovan capital in support of reunification between Romania and Moldova. However, this position is currently supported by minority of pro-European Moldovans.¹⁷

New rift between government and pro-European opposition not represented in parliament happened in June 2018, when on June 3 there was runoff between **two mayoral candidates in Chisinau**. Andrei Nastase, head of the Dignity and Truth Platform Party, and one of the leaders of the extra-parliamentary opposition won with 52.5 % of

¹³ Public Opinion Survey: Residents of Moldova September 11-October 16, 2018 – The International Republican Institute https://www.iri.org/sites/default/files/2018-11-15_moldova_poll.pdf

¹⁴ Опрос: ПСРМ суммарно получает больше голосов, чем все партии, которые могут пройти в парламент. – Argumenty i Fakty 25.09.2018 <http://aif.md/opros-psrm-summarno-poluchaet-bolshe-golosov-chem-vse-partii-kotorye-mogut-projti-v-parlament-foto/>

¹⁵ Kamil Calus, Moldova's political theatre. The balance of forces in an election year. – OSW Commentary, 31 January 2018 <https://www.osw.waw.pl/en/publikacje/osw-commentary/2018-01-31/moldovas-political-theatre-balance-forces-election-year>

¹⁶ Republic of Moldova. Parliament - Inter-Parliamentary Union (site accessed 20.10.2018) http://archive.ipu.org/parline-e/reports/2215_B.htm

¹⁷ Shehab Khan, Thousands March on Moldovan Capital to Demand Country Unifies with Romania. – Independent, 25 March 2018 <https://www.independent.co.uk/news/world/europe/romania-moldova-unification-rally-protests-moscow-a8273246.html>

the vote, beating Socialist candidate Ion Ceban. However on June 19, the constitutional court voided the results, ruling that social media posts on Election Day from both candidates urging people to vote breached campaign rules, therefore neither could become mayor.

In July 2018 Moldova lawmakers voted to **reschedule the next parliamentary elections** to February 24, 2019. Initially, the election should have taken place by the end of November. The decision came after the majority in parliament voted no less than 50 draft bills in just two days. Opposition MPs almost entirely left the chamber in protest against the hasty and non-transparent way in which important laws were being adopted in the last two days of the parliamentary session.

The other controversial law passed in July was the fiscal reform package, in particular, the Fiscal Amnesty Law, that now allows people who obtained illicit money and goods to legalize them by paying a 3-per-cent paid tax to the state. Together with a law already in function granting Moldovan citizenship for 100,000 euros or 250,000 euros of investments, these law changes have concerned Moldova's Western partners such as EU, the US and the IMF.¹⁸ (After receiving criticism Moldovan Parliament this law was somewhat by Parliament in November 2018).

Pro-European opposition saw those decisions as show of the force by ruling Democratic Party to increase corruption, and as a result massive anti-government public demonstrations broke out in July and August 2018.¹⁹

In the beginning of November of 2018 leader of PAS Maia Sandu announced that **so called Future Bloc** agreement was signed by two parties – PAS (Action and Solidarity Party) and PPDA (Dignity and Truth Party). Future bloc will officially consist of PAS and the PPDA members. However, it will be open to representatives of other political parties who would like to forward potential candidates to go through the same filters. Such cooperation could increase chances of winning more votes for pro-European opposition parties in next elections. If elected, the first steps that the representatives of the PAS and PPDA are going to take is to guarantee the rule of law and produce clear evidence that the fight against massive corruption begins.²⁰

One of the possible scenarios for Democratic Party in the 2019 elections is to get the best possible result for them while simultaneously taking action (including administrative moves) to limit the number of votes for the Socialists. If the Socialists achieve a

¹⁸ Madalin Necsutu , Moldova Delays Parliamentary Elections Until 2019. – Balkan Insight, 27 July 2018 <http://www.balkaninsight.com/en/article/moldovan-parliament-rescheduled-the-parliamentary-elections-for-2019-07-27-2018>

¹⁹ Eugen Tomiuc, Moldovan Leaders, Protesters Face Off On Independence Day. – RFE/RL's Moldovan Service, 27 August 2018 <https://www.rferl.org/a/more-antigovernment-protests-expected-on-moldova-s-independence-day/29455217.html>

²⁰ These are the first actions that will be taken if Maia Sandu comes to power. – Moldova.org (site scssced 03.11.2018) <http://www.moldova.org/en/maia-sandu-lists-first-actions-will-take-comes-power/>

very good electoral result, but do not achieve outright majority, there are two possible scenarios.

First and more likely option is that Plahotniuc will work to form a coalition between the PDM and its present coalition partner with the pro-European opposition – the Action and Solidarity Party of Maia Sandu and The Dignity and Truth Platform Party of Andrei Nastase. So far Sandu and Nastase have categorically ruled out any coalition with the PDM. However, they may come under a great deal of pressure from their electorate and their Western partners (including Romania) to form coalition with Democratic Party for whom Socialists coming to power would be worst possible alternative. In such situation, the Democratic Party will probably try to gradually marginalise his coalition partners (as he has done in the past) and, bring deputies from Nastase's and Sandu's parties over to PDM. Same tactics could be used against Socialists as coalition partners.

Second option is the creation of coalition between Democratic Party and Socialists, notwithstanding their opposing ideologies and foreign policy orientations, but based on their practical cooperation in current Parliament. However, taking into account varying results of public opinion polls, the third option, overwhelming victory of Socialists on 2019 elections cannot be excluded at present moment. In such a case there could be a serious reorientation in Moldova's foreign policy.

Situation with pro-European reforms in Moldova

According to the **EU 2018 Association Implementation Report on Moldova**²¹ the Republic of Moldova has advanced with the implementation of some reforms, but further action is still required for its citizens to reap the full benefits of the Association Agreement.

The Republic of Moldova has managed to **stabilise its economic situation** and, with constant but conditional support from the European Union and other international partners, has progressed with the implementation of some reforms, including strengthening the Deep and Comprehensive Free Trade Area (DCFTA). Further efforts, however, are still needed in particular in order to address **high level corruption**, recover the misappropriated funds from the one billion dollar banking fraud and bring to justice those responsible for the fraud. A thorough **reform of the judicial system**

²¹ EU report: the Republic of Moldova advances in reform implementation but considerably more progress is needed. European Commission 05/04/2018 https://ec.europa.eu/neighbourhood-enlargement/news_corner/news/eu-report-republic-moldova-advances-reform-implementation-considerably-more_en;

Joint Staff Working Document Association Implementation Report on Moldova. European Commission, 3.4.2018 SWD(2018) 94 final https://cdn4-eeas.fpfis.tech.ec.europa.eu/cdn/farfuture/Bsw7bS5h390fCujCmGRX1jA5BgD-cARl6Z_E_fG86jZA/mtime:1522915732/sites/eeas/files/association_implementation_report_on_moldova.pdf

is also to be addressed. Moldova has also continued to **reform its banking sector**, supported by the EU and international partners such as the International Monetary Fund (IMF) and the World Bank. As a result, notably of these reforms, the IMF agreement is on track. The economic growth registered in 2016–2017 had a positive impact on trade. Moldova has made **progress in aligning its legislation on trade matters to EU regulation and standards**, but also here significant further efforts are required.²²

On **democracy, human rights and good governance, the report recalls that the change of the electoral system** in July 2017 went against the recommendation of the Council of Europe's Venice Commission and the Office for Democratic Institutions and Human Rights of the OSCE. The necessity to ensure inclusiveness in the electoral process ahead of the parliamentary elections in autumn is underlined. The report also stresses that corruption, including high level corruption, still remains widespread and the independence of justice, law enforcement as well as national anti-corruption authorities need substantial improvement.

A **number of achievements**, including examples of several projects that were completed in 2016–2017 with EU assistance have directly improved citizens' daily lives. **New business incubators** have been established, to boost economic development and create jobs, and the EU has provided **grants to migrants returning to Moldova** for business purposes. The importance of **confidence-building measures** and the concrete benefits they bring to Transnistria and Gagauzia, such as support for setting up businesses and creating jobs, are also underlined in the report.²³

To continue supporting reforms as well as the delivery of concrete results and benefits to the citizens of Moldova, the EU adopted the new multiannual programming, the **Single Support Framework for 2017–2020** in September 2017. It focuses on delivering tangible and visible results for citizens: supporting governance reforms, strengthening economic development, connectivity and people-to-people contacts as well as providing horizontal support to support to civil society, strategic communication and capacity development/institution building.²⁴

However, according to the **Freedom House Nations in Transit Report 2018, the situation with reforms has stagnated or worsened**. Report recognizes that Mol-

²² EU report: the Republic of Moldova advances in reform implementation but considerably more progress is needed. European Commission 05/04/2018 https://ec.europa.eu/neighbourhood-enlargement/news_corner/news/eu-report-republic-moldova-advances-reform-implementation-considerably-more_en

²³ EU report: the Republic of Moldova advances in reform implementation but considerably more progress is needed. European Commission 05/04/2018 https://ec.europa.eu/neighbourhood-enlargement/news_corner/news/eu-report-republic-moldova-advances-reform-implementation-considerably-more_en

²⁴ Joint Staff Working Document Association Implementation Report on Moldova. European Commission, 3.4.2018 SWD(2018) 94 final https://cdn4-eeas.fpfis.tech.ec.europa.eu/cdn/farfuture/Bsw7bS5h390fCujCmGRX1jA5BgD-cARl6Z_E_fG86jZA/mtime:1522915732/sites/eeas/files/association_implementation_report_on_moldova.pdf

dova has a competitive electoral environment and that rights of assembly, speech, and religion are largely protected. Nonetheless, the pervasive corruption in the government sector links between major political parties and vested economic interests, and deficiencies in the rule of law continue to hamper democratic governance.²⁵

Civil society was quite active in 2017, while relations between the government and the civic sector deteriorated. Attempts to pass contradictory laws or legally mandate funding restrictions from external sources for civil society organizations (CSOs) fuelled a lack of confidence in the government. Additionally, there were a number of political attacks on CSOs. The **media sector** continued to be politicized. An outdated legal framework, excessive influence from politicians and oligarchs, limited independence for the broadcasting regulatory authority, unfair competition on politicized advertising market, and the use of the media for political purposes continued to hamper Moldovan media independence.

The **justice reform** stagnates. The appointment procedure for judges and key officials remained one of the main problems of this sector and continued to be a source of concern, especially when it comes to candidates' integrity. Justice was also used to hide political motives and was unevenly used in the examination of files involving representatives of local and central public administration, showing once again that political influence is the greatest challenge for Moldova's judicial system. Lack of progress and reforms in the justice sector led the European Union (EU) to announce in 2017 October its decision of cutting budgetary support program for judicial reforms and stop the last tranche of support in this sector in the amount of €28 million (\$33.1 million).

Anticorruption initiatives did not contribute to reducing corruption in 2017, as none aimed at depoliticizing public institutions and regulatory agencies. Open competitions for positions of responsibility were non-transparent in most instances, organized not by merit but instead relying on controversial regulations and political loyalty to, or membership of, the ruling political group. The year saw an excessive politicization of the fight against corruption. Although the number of big corruption cases grew compared to 2016, these concerned current or former senior figures of political parties other than PDM. Law packages and initiatives adopted in 2016, which were to play an important role in fighting corruption, had yet to yield concrete results at 2017 end. The reform of **National Integrity Authority** (NIA), which was envisioned as the key anticorruption institution in the public sector, moved very slowly. The ruling coalition also seemed to lack political will to effectively fight corruption in the public sector.²⁶

²⁵ Freedom in the World 2018. Moldova. – Freedom House (site accessed 20.10.2018) <https://freedomhouse.org/report/freedom-world/2018/moldova>

²⁶ Freedom in the World 2018. Moldova. – Freedom House (site accessed 20.10.2018) <https://freedomhouse.org/report/nations-transit/2018/moldova>

Conclusion

During the last years Moldova has advanced with the implementation of some reforms, but further action is still required to achieve significant results in many areas. Further efforts are still needed in particular in order to address high level corruption. Ahead of 2019 parliamentary elections the political situation remains complicated as the ruling pro-European coalition led by Democratic Party has low popular support compared to pro-Russian Socialists. However, at same time, popular support is growing for non-parliament pro-European opposition parties, that are expected to achieve good results in 2019 elections. As Moldovan recent history shows, then the most likely result of elections will be a new pro-European coalition between the new and old pro-European forces that continues pro-European reforms and implementation of Association Agreement. The victory or presence in next ruling coalition of pro-Russian Socialists is less likely, but could not be ruled out at the present stage.

There is a slight possibility that Moldova may change a geopolitical direction in the 2019 elections. A clear victory of either Plahotniuc's or/and Sandu's and Nastase's followers (separately or together while forming coalition) will be considered as a win for pro-European forces. Conversely, victory of the Socialists will be interpreted as a win of pro-Russian policy. At the same time it is most likely, that no political grouping will achieve a clear majority, and that Moldova's European future depends on whether the Democratic Party will find the common platform with new pro-European parties, which have so far been critical of the present government (which is most likely outcome). The other option could be that the Democratic Party would choose alliance with Socialists instead. In either case, it is unlikely that the 2019 election will alter the fundamental divisions and balance in Moldova. However, only radical reforms directed towards economic growth, and putting an end to the endemic corruption, could bring decisive change to Moldova's situation.