



BULLETIN

No. 46 (46) • August 5, 2009 • © PISM

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Moldova after July Poll

by Tomasz Sikorski

The pro-European camp's victory in the parliamentary election in Moldova has given a boost to the country's prospects for developing cooperation with the Western states and the European Union. But before that happens, the opposition parties will have to cope with the question of electing the president and forming the government, which will very likely require a compromise with some fractions within the communists. The new cabinet will also have to wrap up the country's economic transformation. Poland and the EU should encourage a pro-European policy by Moldova and, especially, be prepared for involvement (mediation, good offices) should problems emerge with building a majority needed to elect the president.

Election Results. On 29 July, Moldova held a second election this year,¹ following an inconclusive vote of 5 April, which failed to produce a stable majority. In that first ballot, the incumbent Party of Communists of the Republic of Moldova (PCRM) won 60 seats in a 101-seat Parliament, but stayed one vote short of a majority sufficient to push through its presidential candidate. Thus, for procedural reasons, the country faced the possibility of executive-branch paralysis (it is the president, elected by a three-fifths majority in Parliament, who appoints the prime minister, who in turn forms the cabinet). When two rounds of parliamentary voting had failed to name the winner, the Parliament was dissolved and a fresh election called, in accordance with the Constitution.

The results of the 31 July poll were as follows: PCRM 44.69% (48 seats), Liberal Democratic Party (LDP) 16.57% (18 seats), Liberal Party (LP) 14.68% (15 seats), Democratic Party (DP) 12.54% (13 seats), Our Moldova Alliance 7.35% (7 seats). This means that the PCRM, even though winning the largest representation, lost the election, which—notwithstanding minor irregularities, an administrative tilt towards the PCRM, and the communists' domination in the media—was perceived by OSCE observers as basically complying with democratic standards.

The three centre-right parties, Liberal Democrats, Liberals and Our Moldova, announced they would cooperate to form the cabinet. They will very likely let in the Democratic Party, of a social-democratic tinge, which is led by Marian Lupu, a popular politician, who left the PCRM last June. But their combined 53 votes will stay short of the 61 needed to elect the president, and very likely an attempt will be made to win over several PCRM parliamentarians, which will require a compromise candidate (possibly Lupu or a person he names). An alliance between the PCRM and the Democrats, with exactly 61 votes, is also a possibility—but rather a remote one, given the mutual animosity between PCRM head Vladimir Voronin and Lupu.

Scenarios of Future Developments. The likelihood of protests and street riots, or PCRM attempts to stay in power by force, is low. The four opposition parties are going to start building a coalition, where a key test will be the election of the new president, slated for August. Support from at least eight more MPs from the PCRM will then be needed. And so, either the opposition parties manage to elect a compromise candidate in the first or second round with the backing of some PCRM representatives, or—in the absence of this backing—Parliament will be dissolved after a second inconclusive round and a next election called for early 2010 (the Moldovan parliamentary procedure rules out three parliamentary elections in the same calendar year).

¹ See: B. Cichocki, "International Implications of Elections in Moldova," *Bulletin* (PISM), No. 20, 10 April 2009.

The former scenario, with PCRM deputies accepting a provisional presidential compromise, is more likely, given the strong position enjoyed by the opposition parties and the prospect for the communists to lose support of still more groups (and for the opposition to perform still better) in 2010 if the process of presidential selection is now blocked the PCRM.

Once the government is formed, an acceleration of reforms should be forecasted. On the other hand, though, it should be remembered that the new cabinet will be a compromise one, involving three quarrelsome centre-right parties and the centre-left Democratic Party, which makes the threat of internal divisions real. If fundamental differences of opinion emerge, an executive-branch paralysis or even a breakdown of the coalition cannot be ruled out.

International Implications of Cabinet Formation. If the opposition succeeds in creating a new government, Moldova's relations with the West will improve. Normalization in relations with Romania will be especially important in view of the two countries' cultural proximity (same language, traditions of joint statehood), economic ties (Romania accounts for 13–15% of Moldova's trade exchanges) and economic emigration flows.

After the April election, accompanied by street riots, the two countries' relations have all but frozen, with the Moldova government groundlessly accusing Romania of supporting the protesters and even seeking to annex the country in the long run. The Romanian ambassador was forced to leave Moldova, railway links were severed, and a visa waiver for Romanian visitors was suspended. It is worth noting that the Romanian government took a very restrained line, refraining from any retaliatory measures.

In addition to better relations with Romania, major improvement should be expected in contacts with the European Union, where the new government will very likely tighten up cooperation under the Eastern Partnership and, over a longer period, set its sights on European integration.

Another expected effect of a new cabinet formed by the opposition will be a deterioration in relations with Russia—if only a temporary one. Russia's first step may be to renege on a €350 loan offer, presented prior to the election with a view to backing the ruling PCRM. It also holds a strong instrument of pressure, being capable of influencing the outcome of the Transnistria conflict. The existence of a separatist Transnistrian Republic will make it possible for Russia to interfere in Moldova's internal affairs. Similarly, applying pressure in the energy field cannot be ruled out.

Just prior to the election, interest in Moldova was expressed by China. Its €700 million loan, granted on favorable terms (15-year repayment after a five-year grace period, annual interest at 3%), and accounting for over 15% of annual GDP, will provide valuable financial support for Moldova, while at the same time adding to the country's foreign debt. China's actions, it seems, are motivated by political as well as economic considerations. In the economic field, the Sino-Moldovan transaction offers benefits for the leading Chinese construction corporation COVEC, such as an open market for investments involving the construction or repair of communications, energy and industrial infrastructure. Simultaneously, the loan will give China political leverage, coming as part of China's global strategy.

Recommendations for Poland and the EU. Moldavian society's immense enthusiasm for change, which translated into the electoral success of pro-European parties, must not be wasted. The monitoring and analysis of post-election processes is imperative. It is in the EU's interest to have the Moldovan situation stabilized, while avoiding to directly support particular parties or otherwise act in a way that could be seen as interference in the country's internal affairs. A successful path is offered by visits similar to one paid last July by Foreign Minister Radosław Sikorski, in consultation with the EU presidency and backing from the OSCE. It is desirable that several similar visits be made soon by politicians of various standing and from various EU member states (not only from Central Europe).

If problems emerge with government formation in Moldova, the EU should be prepared to engage in mediation efforts and offer its good offices to help provide conditions for both sides to reach agreement. But that path should only be taken if the first round of the Moldovan presidential vote ends up in a fiasco.