



CEPS Commentary/10 January 2007

EU membership gives Romania new opportunities in its relations with Moldova

George Dura

After the 2004 parliamentary and presidential elections in Romania, relations between Romania and the Republic of Moldova improved markedly. As soon as the new administration took office, bilateral relations with Moldova were placed high on the Romanian foreign policy agenda and the destination of the new Romanian President's first official visit abroad was Moldova, in January 2005. This improvement was also made possible by the newfound consensus amongst the political class in Chisinau regarding Moldova's integration with the EU as the country's main strategic foreign policy goal, which culminated in the signature of the EU-Moldova Action Plan in the framework of the EU's Neighbourhood Policy (ENP) in February 2005. The Party of Moldovan Communists, led by the Moldovan President, Vladimir Voronin, subsequently won the parliamentary elections in March 2005 on a pro-European platform.

Despite these developments, bilateral relations have been sorely strained since early December 2006. The Moldovan President again came out strongly against overtures by Romania to assist Moldova in its efforts to integrate with the EU. On 1 December 2006, precisely a month before Romania's formal accession to the EU, President Voronin posted the following declaration on a Russian-language news portal, Economicheskoe Obozreniye: "Romania is trying to impose certain rules of the game and principles on Moldova, which it is trying to force-feed on us during all our 15 years of independence. If one were to objectively assess this situation, this should be qualified as 'interference in the domestic affairs of a sovereign state'. Moldova is capable of ensuring its European integration and internal democratic development, ..., without such a warming [of relations with Romania], without friendships and advocates [in favour of Moldova's integration with the EU] that are imposed on us from the right bank of the Prut river [i.e., Romania]" (see <http://logos.press.md/Weekly/Main.asp?IssueNum=684&YearNum=44&IssueDate=01.12.2006&Theme=-1&Topic=0>).

This chill in Romanian-Moldovan relations coincides with a decisive thaw in relations between Chisinau and Moscow, following Russia's announcement on 29 November 2006 that it would end the economic blockade on Moldovan wine. Hence, President Voronin's declaration with regard to Romania issued two days after the end of the Russian blockade can by no means be interpreted as an isolated gesture.

Russia's lifting of the economic blockade also came in the aftermath of the so-called 'referendum of independence' in the separatist Moldovan region of Transnistria in September 2006, and just days before the so-called 'presidential elections' on 10 December 2006 in that same region. Moscow views these two events favourably and continues to openly support the Transnistrian separatists. In 2006 alone, the Russian

Federation provided the Transnistrian region, which has a population of over half a million, with aid amounting to \$77 million. In comparative terms, Moldova minus the Transnistrian region, with a population of 3.3 million, has received €320 million (approximately \$415 million) in EU assistance for the period 1991-2006. In addition, Russia continues to supply Transnistria with free gas, whereas the gas price for Moldova was raised yet again in December 2006 to \$170 per 1000 cubic metres. Despite these hard facts, the Moldovan President still clings to the belief that by playing up to Russia, a breakthrough in the conflict settlement with Transnistria will come about in 2007. Thus, in a manifest gesture of goodwill, Moldova – already a member of the WTO – agreed to Russia's accession to the WTO on 28 December 2006, thereby 'forgiving' Russia the damage inflicted on Moldova's economy by Russia's economic blockade and the gas price hike.

If only to make matters worse, Romania's accession to the EU means that the Moldovans are facing new restrictions in conducting trade with and travelling to Romania. The free trade area between Romania and Moldova has ceased to exist upon Romania's accession to the EU and Romania introduced visas for Moldovans for the first time in its history. Add to this the fact that in the last months alone, around 530 000 Moldovans applied for Romanian citizenship due to Romania's new-found attractiveness as an EU member, and it becomes clear that Romanian-Moldovan relations face a bumpy road ahead.

Romania's official position with regard to the Republic of Moldova is that of 'one nation, two states', which is justified in the official discourse by stressing their shared history, language, culture and traditions. Such a position implies a special relationship and clashes with the position promoted by Moldova's communist authorities, which rests on building pragmatic relations with Romania. In such a context, it is helpful to review the general principles that guide Romania's foreign policy vis-à-vis Moldova:

- *A basic treaty regulating bilateral ties between Romania and Moldova is considered unnecessary by the Romanian authorities, despite the insistence of the Moldovan communist authorities.* Instead the Romanian authorities favour a political agreement, focusing on cooperation in the field of Moldova's integration with the EU.
- *Moldova is a European state with very close links to Romania and its future lies with the EU, alongside Romania.* Romania will lobby relentlessly for Moldova's eventual accession to the EU, despite the unfavourable climate in the EU towards further enlargement. Offering to act as Moldova's 'advocate' in the EU and other international forums, Romania also promises other forms of assistance (economic, financial, energy-related, and with regard to the adoption of the EU *acquis communautaire*).
- *Moldova should be grouped together with the Western Balkan states belonging to the Stabilisation and Association Process (SAP), which have an accession perspective.* Currently, Moldova falls under the ENP which enjoys no such perspective.
- *Moldova should join all other European regional organisations so as to increase its chances of EU accession.* For example, Romania has successfully lobbied for Moldova's inclusion in the Central European Free Trade Area as of 1 January 2007.
- *With regard to the Transnistrian conflict, Romania supports the territorial integrity and the unitary nature of the Moldovan state and favours the EU's involvement on the ground as a post-settlement guarantor.* Romania will be in a position to contribute to the EU's policy towards Moldova after its accession to the EU.

Romania and the EU remain comparatively weak vis-à-vis Russia in terms of what they presently are able or willing to offer Moldova, namely market and labour access, energy deliveries and leverage in the Transnistrian conflict. This comes at a time when Moldova is increasingly isolated, due to Romania's accession to the EU. Moldova's quiet rapprochement with Moscow in the autumn/winter of 2006 has shown that the ENP is not

currently matching Russia's political and economic pressures on Moldova. The ENP cannot immediately offset the effects of Russia's economic blockade on Moldova's main export products, i.e. wine and other agricultural products. However, the EU doubled its financial assistance to Moldova to €254 million for the period 2007-10 at a donor conference in December 2006, thereby making it the second highest per capita beneficiary of EU aid under the ENP after the Palestinian Authority.

Now that it has achieved EU membership, will Romania fundamentally change its foreign policy towards Moldova? The answer of course is 'no', but the new country might consider a number of additional steps to make its policy towards Moldova more pro-active.

- Moldova's commitment to European integration has opened up new avenues for Romania:

- Romania should make concrete offers of assistance on the implementation of the EU-Moldova Action Plan (specifically in the domain of economic reform, justice and home affairs and border control) and propose twinning, training of officials and offer financial aid.

- Romania is likely to continue to lobby, this time from within the EU, for Moldova's inclusion in the group of states with an accession perspective:

- It would be interesting for Romania to develop a closer partnership with those EU states that are very active in the EU's neighbourhood and that favour further enlargement, e.g. the Baltic states, Poland, the Czech Republic, Germany, Sweden and the UK.

- Romania should get its 'Moldova message' across to the incoming German Presidency in a simple, structured and intelligible way.

- The new Romanian MEPs will also contribute to the EU debate on enlargement and on the further development of the ENP.

- Increasing the level of assistance, joint projects and exchanges could be another way through which Romania can develop a more pro-active policy:

- Moldova is eager to diversify its trade and Romania is well placed to provide assistance through its Chambers of Commerce to its Moldovan counterparts.

- More Romanian investment in the Moldovan economy, especially in the energy and banking sectors, would be welcome.

- Romania is coping with labour shortage and is willing to give Moldovan workers priority access to its labour market.

- Cultural and academic exchanges and investment in Moldovan civil society remain essential for the continuing democratisation of Moldova.

- The presence of Romanian language media and press in Moldova should be reinforced.

- In addition, several other measures could be considered by the Romanian authorities:

- Now that the opening of two additional consulates for treating visa applications has been approved at the highest level, the amount of paperwork required by Moldovans for obtaining a Romanian visa should also be reduced.

- A streamlined procedure should be adopted to allow Moldovans to recover Romanian citizenship under the best possible conditions. The Romanian authorities issued 93,000 Romanian passports to citizens from the Republic of Moldova during the period 1991-2002, but virtually froze this process in 2002, issuing only 2,442 passports since then.

- An open, public debate should be launched in Romanian society on its relations with Moldova so as to explain and legitimise a more pro-active and hence more costly policy towards Moldova.

Romania is already taking steps to offset the effects of its accession to the EU on its relations with the Republic of Moldova. The most urgent challenge at the present time is to effectively cope administratively and logistically with the huge demand for Romanian visas and Romanian citizenship. Several other possibilities for increased cooperation with Moldova from Romania's perspective have been outlined above. It remains to be seen how the ENP will be reformed under the German Presidency of the EU, but so far the incentives on offer have not been sufficient to ensure the irreversibility of democratisation or a sustained process of economic reforms in Moldova. Romania's efforts in this regard are therefore most welcome.

George Dura is Research Assistant at CEPS