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POLICY COMMENT

(JANUARY 2017)

Pro-Russian turn or preservation of “oligarchic” status quo? Moldova after the presidential elections

by [Kamil Calus](#) ([OSW](#))

On the 13th of November, the second round of Moldova's first direct presidential elections since 1996 took place. Igor Dodon, the leader of the pro-Russian Party of Socialists of the Republic of Moldova (PSRM), was announced the winner with 52.11 per cent of the vote. By the wider public, Dodon is considered to represent Kremlin interests in Moldova and has positioned himself as the firm opponent of the ruling pro-European coalition. Yet, he has an uneasy, but rather symbiotic relationship with the oligarchic head of the pro-European Democratic Party of Moldova (PDM). Dodon's election is likely to further consolidate the oligarchic system in Moldova. Instead of Dodon's seemingly pro-Russian agenda, it is this oligarchic consolidation that is likely to represent the greatest threat for Moldova's European integration and may become a major impediment for the implementation of the Association Agreement (AA) with the European Union (EU).

The evolution of a “pro-European” oligarchy in Moldova

Why is there a pro-European oligarchy in Moldova to begin with? From 2009 to 2015, there were two powerful political and economic groups in Moldova. The first centred around Vlad Filat, the former prime minister of the country, who held office from 2009 to 2013. Filat is also the leader of the Liberal Democratic Party, the biggest pro-European party in the ruling coalition. The second group was led by Vlad Plahotniuc, sponsor of the then second biggest party in the coalition, the PDM. Formally, both Filat and Plahotniuc were representing two main pro-European parties, and came to power in 2009 thanks to their respective pro-Western platforms.

At the same time, both interest groups were in constant competition for influence. The rivalry ended in October 2015 when the Anti-Corruption Centre and the Prosecutor General, both controlled by Plahotniuc, brought charges against Filat for large scale corruption in conjunction with the siphoning of nearly one billion USD from the Moldovan banking sector at the end of 2014. Eventually, Filat was sentenced to nine years in prison and lost control of the prime minister's office, which had until then been occupied by him or his allies. The position

was then overtaken by Pavel Filip, an old business partner of Plahotniuc who remained fully dependent on the oligarch.

After Filat's arrest, Veaceslav Platon, a Moldovan banking tycoon, remained the last serious competitor to Plahotniuc. In July 2016, Platon was arrested in Ukraine and extradited – under a dubious procedure – to Moldova. At present, a trial continues against him in Chişinău and it seems highly likely that he will share the fate of Filat in the next few months.

As a result, Moldova has become dominated by Plahotniuc both on a political and economic level. His net worth is estimated at about two billion USD – a third of the country's GDP. Additionally, while Plahotniuc's party controls just 20 per cent of the parliament, the oligarch can still count on about 56-57 Members of Parliament, meaning he controls the majority.

Dodon's victory and the consolidation of a system

Despite his pro-Russian views, Dodon is unlikely to be anti-European or pro-Russian by conviction. His political stance has not been steadfast and changed when it better allowed him to secure electoral support: as Minister of Economy in the communist-led government (2001-2009), for instance, he still supported the signing of the EU AA. And despite his formally anti-oligarchic rhetoric, Dodon comes from the establishment, and is also unlikely to challenge the country's existing oligarchic system. He has existing business ties to Plahotniuc, and there is some indication he is at least partially under his control: Plahotniuc's media conglomerate, controlling about 60 to 70 per cent of all media space in Moldova, supported Dodon's candidacy during the electoral campaign. The Democratic Party apparatus was reportedly also unofficially engaged in the electoral process on Dodon's side. According to popular belief, Plahotniuc used his private secret services to accrue compromising evidence over the years against Dodon, a tactic he is increasingly employing.

Plahotniuc is likely to have had several motives for supporting his formal enemy in the presidential race. First of all, with Dodon as president, Plahotniuc can mobilise the pro-European electorate, presenting himself as the only effective defendant of Moldova's pro-western course. With Dodon as President elect, the public's attention has been diverted from the issue of Plahotniuc, "oligarchisation", and the monopolisation of power, to instead the "imminent Russian threat." The Moldovan electorate will probably be presented with a political play in which Dodon pretends to fight Plahotniuc, who, in turn, pretends to oppose the Russian threat, represented by Dodon. Having a pro-Russian president would also be a very convenient excuse for Plahotniuc to slow down certain inconvenient reforms. Additionally, Dodon's victory as an opposition leader allows Plahotniuc to argue that the accusations of him "capturing the Moldovan state" are not true.

By effectively playing on the anti-Russian sentiment of the pro-European electorate, Plahotniuc may be able to win at least partial internal legitimacy. He is badly in need of such support, as currently only about two to four per cent of the electorate trust him as a politician. At the same time, Dodon, with limited presidential power, should not

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cause any serious threat to the oligarch – at least not in the foreseeable future.

Dodon's victory should furthermore help Plahotniuc gain international legitimacy. As the Moldovan expert Dionis Cenușa very accurately stated in one of his latest papers, the oligarch will seek to present himself to western partners as a "useful oligarch," who can not only guarantee internal stability, but can also successfully prevent pro-Russian political forces from taking over. This strategy has already proven to be beneficial: as Bucharest perceives the "Russification" of Moldova to be one of its greatest security threats, Plahotniuc can now count on Romanian support, as well as on at least tactical American support. In May 2016, a delegation of Moldovan politicians, including Plahotniuc, was hosted in Washington and met with Victoria Nuland, Assistant Secretary of State for European and Eurasian Affairs for the U.S. State Department. Plahotniuc was received for these high-level meetings despite the fact that he does not formally hold a significant political post, officially he is just the vice-president of the PDM. During the meeting his meeting with Nuland, she is reported to have stated, "continue at the current pace, and we will support you."

Grim perspectives for reforms

Consequently, it seems that the victory of a formally pro-Russian candidate is less of a threat to Moldova's reform program than the oligarchic system. This system by default blocks the country's modernisation and endangers the implementation of the reforms required by the EU AA. The changes foreseen in the AA challenge the oligarchy's direct control over the media, and more importantly, its control over the judiciary, anticorruption structures, and the constitutional court. The declared pro-European oligarch Plahotniuc is unlikely to progress with regard to deep and structural reforms of the state. His control over important political and economic institutions and his financial power have served to secure his assets, as well as his personal security. They have also allowed him so far to prevail over his political and economic adversaries. Jointly, this provides few incentives for him to work towards reforms.

To conclude, as long as the oligarchic system in Moldova remains, the possibility of actual and non-rhetorical domestic change of the country remains grim. And while EU cooperation is necessary for the current government to gain financial aid and legitimacy, the oligarchic system that it embodies is far more dangerous to Moldova's European integration than the election of a seemingly pro-Russian candidate.

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