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country report

Country Office Republic of Moldova



Republic of Moldova: Political and Social Impact One Year after the Start of the War in Ukraine

Leaving Moscow's Sphere of Influence: A Tough Battle

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The pro-European reform forces won the elections in Moldova in 2020 and 2021. Since then, they have been trying to extricate the country from Moscow's sphere of influence in times of war in Ukraine and thus under the most difficult conditions imaginable. Receiving EU candidate status in June 2022 was a milestone on this path. But Moscow will not let Moldova go without a fight. Even if it does not currently look like a military confrontation, there are many other means for the Russian leadership to torpedo the small country's reform path towards the EU. But the Republic of Moldova is fighting back.

When Russia bombed Ukraine in the early morning of February 24, 2022, the explosions were heard in many parts of Moldova and also in the Moldovan capital Chişinău. However, Russia's war of aggression on their large eastern neighbor also shook Moldova on a human level. There is a Ukrainian minority in Moldova, which, according to the 2014 census, makes up about 6.6% of the population (not including the Transnistrian region). Many Moldovans have family and friendship ties to Ukraine. Both countries were part of the Soviet Union until it disintegrated in the early 1990s. The all-out attack by Russian forces on the entire territory of Ukraine was a great shock to the small country in the south of Eastern Europe. Especially as all Moldovans have had to ask themselves the question since February 24, 2022 at the latest: Are we safe? Are we also under attack from Russia?

The plan was a different one

When Maia Sandu was sworn in as President of the Republic of Moldova on December 24, 2020, and the party close to her, Partidul Acţiune şi Solidaritate (PAS), secured a majority of 52.8% of the vote in the early parliamentary elections on July 11,

2021. After the successful formation of a government under PAS Prime Minister Natalia Gavrilița in the fall of 2022, all signs in the Republic of Moldova pointed to a "reform course.

However, things turned out differently: From the very beginning, Moscow put pressure on the pro-European and democratically oriented Moldovan reform government. A few weeks after the government took office, a threatening letter from the Russian gas giant Gazprom was received by its Moldovan subsidiary Moldovagaz. It said it would turn off the gas tap because payments had not been made in full. According to the government, the letter concerned outstanding debts amounting to the equivalent of 22.4 million euros. Gazprom, however, cited much higher debts and strictly refused to defer payment. For years, Moscow had spun an almost incomprehensible web of liabilities and dependencies by supplying gas to the power plant in Transnistria, which is actually a breakaway region from Moldova, which then sold the generated electricity to Chişinău. Now it seemed politically opportune for Moscow to tighten this net and plunge the new government directly into an initial government crisis through

skyrocketing electricity prices. If one has to devote all energies to crisis management, one cannot push ahead with reforms and will lose favor with voters. And if then the pro-Russian forces in Chişinău were able to point the finger at the reform forces regarding the immensely rising electricity prices: All the better. Such was Moscow's calculation.

At the time of the Russian invasion, Moldova was almost completely dependent on gas supplies from Russia and trapped in a Moscow-sponsored co-dependence on electricity supplies from Transnistria. By taking many small steps and enduring intense domestic political pressure as well as a slide in voter favor due to massively increased energy prices, the PAS government was able to wriggle out of Moscow's energy blackmail pattern to a good extent in 2022 despite extremely poor framework conditions: In direct response to Russia's war of aggression in Ukraine, Moldova was rapidly connected to the electricity and gas grid of its western neighbor Romania and could now purchase electricity from there. However, based on market prices at five to six times higher costs. Chişinău also managed to create its own storage capacities for gas for the first time in cooperation with Ukraine and Romania. When Russia reduced its gas supplies to Moldova in October 2022 and electricity supplies from the breakaway region of Transnistria were cut off in November 2022, Chişinău was able to stand firm. Chişinău also held firm when Ukraine could no longer supply nuclear power as a result of Russian attacks on energy infrastructure there.

The EU is providing massive financial support to Moldova to cushion the explosion in energy prices at least somewhat for the population. Germany alone provided additional funding of 28.7 million euros at the end of November 2022, primarily to increase the energy efficiency of buildings. In addition, with 40 million euros already pledged, needy households were given relief from the sharp rise in energy costs. Despite this support, the enormous rise in energy costs is reflected in an inflation rate that has been around 30% for months. Inflation is so high because not only energy prices have risen dramatically. In addition, the war stopped the import of

mostly moderately priced supplies from Ukraine. These can be replaced by imports from Romania, but again at higher prices. And finally, Ukrainians who have fled to the country are also creating increased demand and thus further price pressure. The price increases due to additional demand for housing are particularly noticeable on the housing market.

Moldova has received 674,057 Ukrainian refugees and 76,752 third-country nationals since the end of February 2022. Of them, about 102,000 were permanently in the country as of mid-January 2023, including about 47,800 people under the age of 18. Moldova, with a population of about 2.5 million, has thus received more Ukrainian refugees per capita than any other country. The refugees are generally accommodated privately and provided with international aid. The coordination of the numerous aid organizations, donor funds with sometimes very specific eligibility conditions and volunteers is another Herculean task that the Moldovan government must master.

Targeted by Moscow

Moscow's plan to bring pro-Russian forces back to power in Chişinău has many facets. In addition to the calculation that the new government, in a permanent crisis mode, has neither the time nor the strength for reform projects and will then ultimately lose the approval of the voters who had elected it precisely to implement reforms, there are apparently also more manifest plans for overthrow. It is clear that the sometimes mafia-structured forces of persistence that had long kept Moldova in the status of a "captured state" are supported by Russia. These forces still control a large part of the mass media as well as structurally relevant companies and corporations. However, their influence also extends deep into the judicial sector and even the administration. PAS ministers might not always know whom they can trust in their own house. It has also long been known that Moscow provides financial and logistical support to forces that stage or at least decisively promote protests against the government. In the fall of 2022, there were protest camps in front of the Moldovan parliament whose occupants were regularly paid and whose signs were suspiciously all made of the same material and printed in the same

typeface. But it is also precisely mixed forms of actual, independently motivated protest against high electricity and gas prices and orchestrated or paid protest (as was the case recently in February 2023) that is a perfect basis for the information war being waged against the PAS government and the presidency of Moldova. Disinformation, fake news and propaganda are massively used by the Russian side for this purpose.

In mid-February 2023, Moldovan intelligence (SIS) reported on subversive activities aimed at undermining Moldova as well as destabilizing public order. The information had been obtained both from its own operations and from the Ukrainian government. Ukrainian President Volodymyr Zelenskyy confirmed that Ukrainian intelligence had intercepted information showing who was planning to strike in Moldova, when, and how. Moldovan President Maia Sandu stated: "Russia's plan to destabilize the situation has been in place since the fall, but could not achieve its goal because the security agencies intervened." (...) "Last fall, the focus was on the energy crisis and on inciting the population against the government. The plan for the coming period includes actions of saboteurs with military training, preparing attacks on state institutions and hostage-taking." (...) "They want to use people with military background from Belarus, Russia, Serbia and Montenegro to attack state buildings. State institutions are working on these challenges and will keep the situation under control. In executing this plan, Russia relies on criminal groups within the country, especially Șor (meaning the Șor Party, note KCP) and veterans' organizations. The purpose of the plan is to overthrow the constitutional order." President Sandu demanded that the parliament pass a law as soon as possible that would give the SIS and the Office of the Public Prosecutor the necessary tools to combat the risks to national security more efficiently. All those who take part in actions against the state -

whether members of political parties or criminal groups - would be held accountable, Sandu said.

The news of the coup plans came at the same time as a government reshuffle, after PAS Prime Minister Natalia Gavrilița resigned. She was succeeded a few days later by Dorin Recean, who had been the president's adviser on security and defense policy for the past years. The official justification for the change in government was that a stronger focus on security issues was now needed, whereas Gavrilița's cabinet had specialized in economic issues. Certainly, the government reshuffle is also an attempt by PAS to demonstrate will and strength for a new departure before this year's local elections, given the low polls. In any case, the change of government has been planned and prepared since December. Dorin Recean used the past few weeks to win the confidence of PAS deputies and the party leadership - obviously successfully. On February 16, 2022, Dorin Recean won the vote of confidence in parliament and was able to form the second PAS government of the legislative period.

Currently, the threat of a Russian advance into Transnistria, and thus into Moldova, is much lower than it was in the spring of 2022. At the same time, the street protests, partly supported and partly orchestrated by pro-Russian forces, have made it clear to the government in Chișinău that it must take tougher action against threats at home. It may well be that it has decided to address this now. In that case, the recent publications of intelligence on the plans of pro-Russian forces to overthrow the government would be the overture to a now determined fight against the mafia-structured forces of inertia in the country. For rapid progress in the reform projects necessary for EU accession, it is essential that the Republic of Moldova free itself from the remaining forces in the web of the "captured state".



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