Moldova

**Capital:** Chisinau  
**Polity:** Parliamentary democracy  
**Economy:** Capitalist-statist  
**Population:** 4,300,000  
**GDP per cap at PPP:** $2,109  
**Private sector as % of GDP:** 50  
**Ethnic Groups:** Moldovan/Romanian (65 percent), Ukrainian (14 percent), Russian (13 percent), other (8 percent)

### Nations in Transit Ratings and Averaged Scores

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Electoral Process</td>
<td>3.25</td>
<td>3.50</td>
<td>3.25</td>
<td>3.25</td>
<td>3.50</td>
<td>3.75</td>
</tr>
<tr>
<td>Civil Society</td>
<td>3.75</td>
<td>3.75</td>
<td>3.75</td>
<td>3.75</td>
<td>4.00</td>
<td>3.75</td>
</tr>
<tr>
<td>Independent Media</td>
<td>4.00</td>
<td>4.25</td>
<td>4.00</td>
<td>4.25</td>
<td>4.50</td>
<td>4.75</td>
</tr>
<tr>
<td>Governance</td>
<td>4.25</td>
<td>4.50</td>
<td>4.50</td>
<td>4.50</td>
<td>4.75</td>
<td>5.25</td>
</tr>
<tr>
<td><strong>Democratization Scores</strong></td>
<td><strong>3.90</strong></td>
<td><strong>↓4.00</strong></td>
<td><strong>↑3.88</strong></td>
<td><strong>↓3.94</strong></td>
<td><strong>↓↓4.19</strong></td>
<td><strong>↓↓↓4.38</strong></td>
</tr>
<tr>
<td>Constitutional, Legislative, and Judicial Framework</td>
<td>4.25</td>
<td>4.00</td>
<td>4.00</td>
<td>4.00</td>
<td>4.00</td>
<td>4.50</td>
</tr>
<tr>
<td>Corruption</td>
<td>na</td>
<td>na</td>
<td>6.00</td>
<td>6.00</td>
<td>6.25</td>
<td>6.25</td>
</tr>
<tr>
<td><strong>Rule of Law Scores</strong></td>
<td>na</td>
<td>na</td>
<td>5.00</td>
<td>5.00</td>
<td>↓5.13</td>
<td>↓↓5.38</td>
</tr>
</tbody>
</table>

**NOTE:** The ratings and scores reflect the consensus of Freedom House, its academic advisors, and the author of this report. ↑↑ and ↓↓ indicate score changes of .25 or more; ↑ and ↓ for changes of less than .25. The opinions expressed in this report are those of the author.
**INTRODUCTION**

In the 11 years since the collapse of communism, the Republic of Moldova has come full circle. Declaring its independence in 1991, the former Soviet republic set down the path of establishing a democratic system of government rooted in fundamental rights and freedoms. In 1994, the country held its first free and fair popular elections and since then has held several more direct elections to Parliament and, until 2000, for the presidency. In 2001, though, voters brought back to power an unreformed Communist Party (CP), and Parliament subsequently chose Vladimir Voronin, the Communist Party leader, as president.

The Communists’ return to power in Moldova worried both pro-reform groups in the country and international observers, particularly when President Voronin reinstated Soviet-style territorial administration, restored the national holiday commemorating the October Revolution, and moved toward closer alliance with Russia. As rapporteurs from the Parliamentary Assembly of the Council of Europe (PACE) have noted, although the Communist Party came to power in a democratic way, “it has changed overnight…democratic institutions and violated human rights.” The Council of Europe (COE) also has pointed to a “continuous worsening and radicalisation of the political climate.” Today, Moldova remains characterized by a sputtering economy, an impoverished population, widespread corruption, and an unresolved conflict in the breakaway region of Transnistria. Emigration is also taking its toll.

Although Moldova experienced economic growth of 6.4 percent in 2002, a variety of factors still impedes development. First, the country is highly dependent on capital flows from abroad, and support from international financial institutions has led to high foreign debt. Second, the economic climate is not attractive to investors. High political risk, a shrinking labor force, and the small size of the Moldovan market work together to keep them at bay. Finally, large-scale emigration and insufficient financing for education (4 percent of gross domestic product [GDP]) and health (3 percent) are helping to deter Moldova’s economic recovery. Ultimately, poverty remains a significant problem, with approximately 80 percent of the population living on less than US$1.00 per day. Even though the current government has worked to boost pensions and salaries for public employees, the increases have fallen short of those promised during the 2001 elections.
Mass emigration has had a significant impact not only on Moldova’s economy, but also on its political and social life. An estimated one million Moldovans—or half the country’s workforce and potential voters—have migrated to Portugal, Spain, Italy, Romania, Russia, and other countries in search of better jobs. In Italy alone, there are over 200,000 Moldovans. Although the current government has attempted to maintain ties with Moldovans living abroad and has pushed through Parliament legislation providing them dual citizenship, thousands of Moldovans became citizens of Russia, Ukraine, Romania, and Israel before the law entered into force in October 2002.

While the government has expressed a desire to join Western institutions and build greater cooperation with Europe, it has moved closer to Russia as well. As a result, Moldova has put itself in a diplomatic bind over one of the country’s most serious problems: resolution of the Transnistrian conflict. Although Russia has declared its intention to support the unification of Transnistria with Moldova, the reality is that it would prefer to maintain the status quo. Russia is reluctant to completely withdraw its troops from eastern Moldova and to cut off its support for the self-declared leaders of the so-called Dnestr Moldovan Republic (DMR). Neighboring Ukraine has similar conflicting interests but also continues to play a lead role in negotiations between Chisinau and Tiraspol. In December 2002, for example, it proposed “provisional official independence for Transnistria” and advocated a return to previous arrangements under which Transnistria used its own Moldovan customs stamp and certificates of origin for exporting goods without contributing to the central government and obeying other commitments it has made. Ultimately, President Voronin understands that Moldova will be unable to reunite the breakaway region with his country as long as Russia and Ukraine remain the key players in the negotiations. At the NATO summit in Prague in November, President Voronin made a formal request of the alliance to help resolve the 10-year conflict.

In 2002, representatives of Russia, Ukraine, and the Organization for Security and Cooperation in Europe (OSCE) presented to Chisinau and Tiraspol a controversial draft agreement on Moldova’s federalization. Opposition parties strongly criticized the document as catering to Russia’s and Ukraine’s interests. Western countries (including the United States) and NATO hinted that the proposal might offer the only acceptable solution in the long run.

The year 2002 will long be remembered for several momentous events. First, the opposition Christian Democratic Populist Party (CDPP) staged the longest public demonstrations in Moldova’s postindependence history. The party organized the protests, which began on January 9 and lasted until April 29, to reject the introduction of government policies on the official use of the Russian language in public life and education. At times, as many as 30,000 people took to the streets in Chisinau. A tent camp in front of the Parliament building and the presidential administration building lasted three weeks. At
no time were the events characterized by clashes or violence between the police and the protesters. The protests ended only when the Parliamentary Assembly of the Council of Europe intervened and strongly urged the government to ease its persecution of the opposition, to ban censorship on state-run television and radio stations, and to respect the rights of citizens to freedom of religion, education in their native language, and freedom of speech.

Second, Moldovans will remember 2002 for the kidnapping of Vlad Cubreacov, a leader in the CDPP and a parliamentary representative to the Council of Europe. Cubreacov, who actively participated in organizing the protests against the government, was kidnapped on March 21 and mysteriously reappeared two months later in Transnistria. The motive for his kidnapping and the identity of his captors are still unknown. Although kidnapping is not common in Moldova, opposition leaders fear that Cubreacov’s disappearance could set a precedent as a means of settling scores among different political forces and business circles.

Third, under pressure from Moscow, the government in Chisinau nearly abandoned GUUAM, a regional group of countries consisting of Georgia, Ukraine, Uzbekistan, Azerbaijan, and Moldova that aims to enhance economic cooperation through the development of a Europe-Caucasus-Asia transport corridor. GUUAM also has become a forum for discussing common security concerns and for promoting conflict resolution, in particular in Azerbaijan’s Nagorno-Karabakh region, Georgia’s Abkhazia, and Moldova’s Transnistria.

Finally, having suffered a tremendous defeat in the 2001 parliamentary elections, Moldova’s centrist and right-wing parties took important steps in 2002 toward the creation of a more united and coherent opposition. Specifically, several parties determined that merging with other parties was the only way to survive and be competitive in the long run. Although the process has been slow, these efforts suggest that Moldova’s political parties could prove more cohesive and effective in the coming years.

**Democratization**

**Electoral Process**

<table>
<thead>
<tr>
<th>Year</th>
<th>1997</th>
<th>1998</th>
<th>1999</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Score</td>
<td>3.25</td>
<td>3.50</td>
<td>3.25</td>
<td>3.25</td>
<td>3.50</td>
<td>3.75</td>
</tr>
</tbody>
</table>

Moldova is a parliamentary democracy in which citizens can change their government under a system of universal, equal, and direct suffrage. Voters choose members of the 101-seat Parliament for four-year terms according to a system of proportional representation. The country ended direct presidential elections in 2000. Under constitutional amendments approved that
year, Parliament now selects the president. International observers generally have deemed all elections free and fair. However, the self-declared government in Transnistria severely limits the ability of voters living in that region to participate in Moldovan elections.

Led by the Social Democratic Alliance (SDA), opposition parties challenged the country’s Communist leadership in 2002 to hold a national referendum on amendments to the Law on Elections that would replace proportional voting based on party lists with direct balloting for individual candidates. By law, parties calling for a national referendum must gather at least 200,000 signatures and submit them to the Central Election Committee for validation and approval. Although the SDA successfully met this challenge by the deadline of July 15, 2002, members of Parliament representing the Communist Party rejected the referendum in late December, alleging that a portion of the 220,000 signatures gathered was invalid. In turn, opposition leaders charged that the Communist Party feared direct elections, preferring to hide behind their party name and avoid competition based on the qualifications and platforms of individual candidates.

Since registering a political party is a fairly simple process in Moldova, more than 30 parties were in existence at the start of 2002. However, only a few were truly active, the most dynamic being the Christian Democratic Populist Party, the Communist Party, the Liberal Party (LP), the Social Democratic Alliance, and the Social Liberal Party (SLP). In November 2002, the CDPP initiated a draft law that would toughen registration procedures by requiring new parties to collect 15,000 signatures. Although the proposal represents an understandable effort to encourage the development of larger and more effective parties, some observers fear that the legislation could limit the freedom of a new generation of politicians to form their own political parties. The 1991 law declaring the Communist Party illegal was abolished in 1995. The CP had no seats in the 1994 Parliament but took 40 seats in the 1998 elections—more than any other single party.

Many opposition parties have concluded that mergers provide the key to their survival as political forces in the coming years. Past experience shows, for example, that while two dozen parties and blocs have participated in elections starting with 1994, only three or four have been able to meet the threshold for securing seats in Parliament. The Social Liberal Initiative Group (SLIG), which was formed in 2001, served as a catalyst for mergers among center-right parties and later was transformed into the Social Liberal Party. Today, two parties—the SLP and the LP—serve as important coalition builders, having absorbed three parties each in a single year. As a result, the number of political parties in Moldova has declined from 31 to 25. During these mergers, sitting party leaders stepped down and made it possible for new personalities to take over. The CDPP and the SDA have discussed an eventual merger as well.
The distribution of political power following the 2001 parliamentary elections was as follows: the CP, 71 seats; the Braghis Alliance, 19; and the CDPP, 11. Only the CP and the CDPP had been represented in the previous Parliament. The Braghis Alliance, an ad hoc bloc that was formed in 2001 by then acting prime minister Dumitru Braghis, has little chance of surviving in future parliamentary elections owing to the diversity of its members, who represent both left-leaning and centrist political organizations.

In 2002, the only elections held in Moldova were for the post of bashkan, or governor, in the Gagauz Autonomous Region (Gagauzia). The first round of voting took place on October 6 but was declared invalid when less than a third of voters participated. In the second round on October 20, Gagauzians elected Gheorghii Tabunshchik, a CP deputy in the Moldovan Parliament and a former Gagauz governor, with 51 percent of the vote. Tabunshchik defeated Mihail Formuzal, the mayor of Ciadir-Lunga, and Constantin Taushanji, the mayor of Comrat. Ilja Stamat, a fourth contender, was excluded from the ballot list just 36 hours before election day. The Communist-led government in Chisinau openly supported Tabunshchik’s candidacy. Although the OSCE mission in Moldova determined that the elections in Gagauzia were generally free, it noted a substantial number of procedural violations and other irregularities. The Congress of Local and Regional Assemblies of the Council of Europe reached similar conclusions. The Moldovan League for the Protection of Human Rights recalled its observers before the second round of voting to protest the government’s blatant support of Tabunshchik and the state-owned media’s unbalanced coverage. Also dubious was Stamat’s disqualification from the race. Some observers have suggested that Ivan Petrov, head of the Gagauzian Electoral Committee, had mandated Stamat’s removal in accordance with the wishes of the central government, which wanted to ensure Tabunshchik’s victory. Ultimately, the elections in Gagauzia were for the Communist Party of Moldova a testing ground for local elections scheduled in 2003.

Civil Society

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>3.75</td>
<td>3.75</td>
<td>3.75</td>
<td>3.75</td>
<td>4.00</td>
<td>3.75</td>
</tr>
</tbody>
</table>

Civil society in Moldova has lost much of its vibrancy since the late 1990s, when the country’s pro-independence national movement reached its apex. However, the year 2002 witnessed a reversal in this trend as individuals increased their involvement in nongovernmental organizations (NGOs) and political movements in response to the government’s efforts to suppress political, economic, and civil liberties. Early in the year, groups reacted strongly to the ruling Communist Party’s efforts to fulfill one of its central
electoral promises of 2001: the removal of two textbooks—History of Romanians and Romanian Language and Literature—from the country’s public education system. In their place, the government proposed two new texts—History of Moldova and Moldovan Language and Literature.

Those who opposed the move argued that the government was threatening the most precious asset they had left—their ethnic identity. The CDPP took the lead in organizing students, parents, teachers, and other opponents of the new texts in a marathon protest that began on January 9 and ended only on April 29. Some demonstrators established a tent camp on the main street in downtown Chisinau, facing the presidential administration and Parliament buildings, and blocked traffic from April 2 to April 29. Overall, these protest actions were the most notable since the preindependence rallies of the late Soviet period.

In February 2002, a coalition of 30 NGOs called Civil Society Says NO issued a joint statement against the “irresponsible actions and initiatives of the Communist authorities...aimed at the destruction of the democratic mechanisms upon which society is based.” The document addressed multiple problems ranging from the protection of basic rights and freedoms to the conduct of Moldova’s foreign policy. The most active groups during the year were the Euro-Atlantic Association Club of Graduates from Romanian and Western Universities, the Independent Journalism Center, the Contact Center of Assistance and Information, the Committee for Press Freedom, and Jurists for Human Rights. Together they blamed the Communist Party for using the public media as a Communist propaganda machine, violating political pluralism, neglecting decisions by the European Court of Human Rights (ECHR) that concern Moldova, marginalizing the Romanian language in favor of Russian, and pushing an overall Russification of the country.

In the end, the Parliamentary Assembly of the Council of Europe was forced to intervene to quell the confrontation between the Communist authorities and the protesters. After weeks of scrupulous examination of the political situation in the country, PACE recommended several measures at its session on April 24. First, it called on the government to cease its efforts to lift the immunity of CDPP parliamentary deputies who had organized the protests and to drop any judicial proceedings against them. Second, it advocated strengthening the legal guarantees of parliamentary immunity and improving protections for the parliamentary opposition. Third, it demanded an end to censorship at TeleRadio-Moldova (the state television and radio company), the granting of full access for opposition parties to the media, and the transformation of TeleRadio-Moldova into an independent public corporation. Fourth, PACE called for an extension to the moratorium on Russian-language teaching and a phasing out of policies that give the Russian language official status in the Moldovan state. Fifth, it called for legalizing the Basarabian Metropolitan Church, which is subordinated to the Romanian Orthodox
Church in Bucharest and has been denied registration by the government for fear that doing so would encourage stronger ties with Romania. Sixth, it warned of the consequences of any escalation between the central government and authorities in Gagauzia. Finally, PACE suggested organizing a roundtable with the participation of all political forces, both parliamentary and extraparliamentary, with the assistance of the Council of Europe.

PACE’s recommendation received varied reactions in Chisinau. The Communist-dominated Parliament and the government saw the intervention of PACE as a defeat and opposed the implementation of all proposals. In contrast, opposition forces and NGOs viewed the actions as a victory for democracy. Moldova is scheduled to take over the chairmanship of the Council of Europe’s Committee of Ministers in May 2003, and the council should make this leadership post contingent on Chisinau’s fulfillment of the PACE recommendations.

Trade unions in Moldova, which are independent of the government, do not represent an important force in the defense of worker rights. Protests by teachers and health personnel for salary increases provide a perfect case in point. The Trade Union Confederation (TUC), the largest union in Moldova, was reluctant to support its teachers and health care workers when they went on strike in 2002 to demand salary increases and payment of wages in arrears. While the average monthly salary in the country is 500 lei (US$37), a high school teacher receives only 330 lei (US$24.50) per month; kindergarten instructors make only 140 lei (US$10.40). Ignoring the doctors’ and teachers’ demand for a 100 percent pay increase, the TUC rushed to sign an agreement with the government on a 40 percent increase in order to prevent a general strike. The TUC and Solidaritate, the second largest trade union in Moldova, are far from meeting the standards of Western unions in representing their members in negotiations with employers.

Approximately 2,500 nongovernmental organizations are registered in Moldova, but only a fraction of these (500) is truly active. The registration process is uncomplicated and is the same as for registering a business. The greatest problem facing NGOs is funding, the majority of which comes from foreign donors. Nonprofit organizations are not exempt from value-added taxes or customs duties. The Ministries of Finance and Justice decide which organizations qualify as public benefit associations and foundations and therefore are exempt from income tax.

In 1989, Soviet authorities recognized that Moldova’s environment degradation was among the worst in the USSR. Today, although environmental problems remain of concern to Moldovan NGOs and international organizations, the current government does not consider them a priority. A group known as the Moldovan Environment Movement complains that the Aarhus Convention, which stresses the need for access to information on the environment held by public authorities, was ratified in 1999 but not
implemented. This and other environment NGOs are pushing governmental bodies to improve enforcement of existing environmental laws.

Professional associations have become more vocal about their concerns as well. In March 2002, for example, Importcompetrol, the union of oil importers and traders, organized protests in Chisinau to denounce the government’s decision to limit imports of oil products by railway only. Dozens of truck drivers participated in the actions. The organization accused the government of suppressing free competition. The Timpul Business Club is another government watchdog that has criticized government authorities for their populist declarations and for their “intervention in the economy, monopolization, nationalization, and/or property redistribution.” The Moldovan business community, with support from international financial institutions, finally succeeded in 2002 in forcing Parliament to end the government’s monopoly on information technology. The victory ended a two-year conflict between private Internet service providers and the state-owned MoldTelecom.

In November 2002, President Voronin asked Parliament to grant him broader powers to intervene in the management of the country’s educational system—a move that is sure to spark student protests. In particular, Voronin was seeking the authority to nominate the rectors of public universities. The Communists appear to believe that by appointing rectors who are loyal to the CP, they will be able to minimize student participation in rallies against the government.

### Independent Media

<table>
<thead>
<tr>
<th>Year</th>
<th>1997</th>
<th>1998</th>
<th>1999</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>4.00</td>
<td>4.25</td>
<td>4.00</td>
<td>4.25</td>
<td>4.50</td>
<td>4.75</td>
</tr>
</tbody>
</table>

Since 1991, Moldova gradually has developed an environment that supports a free press. Indeed, considering the financial problems news outlets face, the media is relatively independent. Only TeleRadio-Moldova, the Moldpress News Agency, and a handful of newspapers and journals are still controlled by the state.

Newspapers that have the largest circulation in Moldova are *Makler* (120,000), *Komsomoliskaia Pravda* (80,000), *Argumenty i Fakty* (40,000), *Flux* (35,000), *Moldavskie Vedomosti* (20,000), *Saptamana* (15,000), *Moldova Suverana* (8,000), *Jurnal de Chisinau* (6,000), and *Timpul* (3,000). *Makler* contains mostly classified ads and provides little coverage of political and economic issues. *Komsomoliskaia Pravda* and *Argumenty i Fakty* are Russian newspapers printed in Chisinau that contain supplements on events in Moldova. Only *Flux*, *Saptamana*, *Jurnal de Chisinau*, *Moldova Suverana*, and *Timpul* are printed in Romanian.
The most popular radio stations in Moldova are Radio National, Antena C, Russkoie Radio, Contact, ProFM, and Hit-FM. Popular television stations include TV Moldova, ORT Moldova, PRO TV, NIT, and TVR 1. Infotag, Basa Press, Flux, Interlic, and Moldpress are the country’s leading news agencies.

The government subsidizes a small number of newspapers and journals: Moldova Suverana (Romanian), Nezavisimaia Moldova (Russian), Economie si Reforme (Romanian), Moldova si Lumea (Romanian), and Welcome (English). The Moldpress News Agency and the TeleRadio-Moldova radio and television network are also publicly financed. Reporting in the government-controlled press is, for the most part, biased. News presentations on TV Moldova resemble those from the Soviet period.

The government’s defense of press freedom was put to the test in 2002, when it was confronted with the demonstrations organized by the CDPP that took place from January through April. When reporters from TeleRadio-Moldova attempted to present an accurate picture of the events, management intervened. TeleRadio-Moldova’s employees endeavored to broadcast live but did so under tough supervision. Of the organization’s 1,000 staff members, 400 signed a statement charging that their rights to freedom of expression were being suppressed and that the government was attempting to reintroduce Soviet-type censorship in violation of the Constitution. They complained that TeleRadio-Moldova has become a mouthpiece for the Communist Party and wore white armbands in protest. Larisa Manole and Dinu Rusnac, two prominent journalists, took the lead in broadcasting live their own views of the strikes and subsequently were fired. When the demonstrators in downtown Chisinau picketed TeleRadio-Moldova as a sign of support for the journalists, government authorities responded by deploying armed forces around the broadcasting buildings.

The Journalists Union of Moldova supported the strikers’ demands for an independent broadcasting media, and the International Federation of Journalists accused Moldovan authorities of using intimidation and threats against the employees of the state-owned broadcasting company. Adrian White, the federation’s secretary-general, stated, “Nothing can justify [the Communists’] approach. We demand that Moldova creates a genuinely independent system of public broadcasting in line with European and international standards.” The International Press Institute and the South East European Media Organization have expressed in letters sent to President Voronin their concern over the intimidation of the striking journalists. On behalf of the 400 journalists, a case has been filed against the Moldovan government in the European Court of Human Rights. In addition, the strike committee of TeleRadio-Moldova sent a letter to the Council of Europe stating that “censorship has not [ceased], on the contrary, the [government] does not admit that it has introduced any censorship.... It’s
clear that the right of citizens to correct and unbiased information has been brutally violated.”

Under pressure from the country’s opposition, as well as from the international community, a new Law on National Broadcasting took effect on August 15 and transformed TeleRadio-Moldova into an independent public institution. Critics of the law warn that the mechanism for appointing the board of observers, the administrative board, and the general director provides little hope that the independence of broadcasting will be guaranteed. For instance, in the case of the administrative board, only the government, the president, and Parliament will be able to appoint members. Professional organizations and other NGOs will not be able to affect the process. A new draft Law on National Broadcasting that is under consideration addresses the broader interests of the concerned parties.

Similar incidents continued to occur throughout the year. In September, Chisinau authorities halted broadcasting on one of the most popular channels in the country, TVR 1, which is retransmitted from neighboring Romania through the Moldovan state company Radiocomunicatii. The closure of TVR 1 ignited a series of protests, and the popular newspaper Jurnal de Chisinau collected signatures from its readers to demand the resumption of TVR 1’s broadcasts. The government claimed that technical problems led to the closure, but the underlying issue is its fear of Romanian influence on Moldova. Government authorities also closed Vocea Basarabiei, a local radio station in Nisporeni whose broadcasts reached border towns of eastern Romania. The pretext to close this station was that its license had expired, but local analysts believe the move was punishment for Vocea Basarabiei’s criticism of Moldova’s Communist-led Parliament and government. The station used to broadcast the programs of BBC and Radio Free Europe.

Harassment for reporting on corruption is also a problem in Moldova. In October, for example, the editor in chief and two journalists from the newspaper Accente were arrested on charges of blackmail and acceptance of bribes. Police also searched the offices of Accente and confiscated US$1,500 in cash, content for the next issue, and the paper’s archives. Law enforcement officers acted in violation of legal procedures because they had neither an arrest nor a search warrant.

Accente had grown in popularity by printing articles on corruption, tax evasion, and other dishonest acts committed by high-ranking officials. Roman Mihaes, the attorney for Accente editor in chief Sergiu Afanasiu, said that “the case is a police fabrication aimed at preventing the weekly paper from publishing compromising materials on Security Service Director Ion Ursu, Interior Minister Gheorghe Papuc, and [Moldovan] Ambassador to the Russian Federation Vladimir Turcan.” (Turcan is also the former minister of the interior.) Mihaes went on to state that all three officials had warned Afanasiu to stop publishing such materials.

**Governance**

<table>
<thead>
<tr>
<th>Year</th>
<th>1997</th>
<th>1998</th>
<th>1999</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Score</td>
<td>4.25</td>
<td>4.50</td>
<td>4.50</td>
<td>4.50</td>
<td>4.75</td>
<td>5.25</td>
</tr>
</tbody>
</table>

Moldova has been a parliamentary republic since 2000, when passage of a constitutional amendment ended direct elections of the president. Although the new legal framework provides for a separation of executive and legislative powers, the parliamentary system has proved favorable for one party to establish a monopoly on political power. The semipresidential form of governance was not perfect, but it permitted better implementation of a system of checks and balances. In today’s environment, there is little room for transparency and openness.

Relations between the central government in Chisinau and local administrative bodies remained tense in 2002. Three main factors contributed to the situation: the government’s reversal of administrative territorial reforms; relations between the central government and Gagauzia; and relations between Chisinau and the breakaway region of Transnistria. When the Communist Party came to power in 2001, it did so promising to bring back the Soviet-era system of territorial administration. Local experts called the plan “administrative-territorial anti-reform” and feared that the move would have a negative impact not only on relations between central government authorities and local elected officials, but also on relations between Moldova and the Council of Europe. In their view, the government’s actions would replace an administrative structure that functions on the principles of pluralistic democracy with one based on a rigid vertical power mechanism that would limit the autonomy of elected mayors and heads of counties.

In March 2002, the Constitutional Court of Moldova declared the Law on Local Public Administration unconstitutional on the grounds that it would deprive citizens of the right to take part in local governance. Specifically, the law, as passed in December 2001, would replace direct elections of mayors with appointments by local councils. From June 4 to June 6, 2002, the Congress of Local and Regional Assemblies of the Council of Europe met in Strasbourg to discuss the law and passed a resolution stating that the Moldovan government was failing to observe the norms and principles of European conventions that the Republic of Moldova had ratified. The document listed approximately 20 contradictions between the new law and the European Charter on Autonomous Exercise of Local Power. The law is set to take effect in March 2003.
Tensions between central government authorities and the local administration in Comrat, the capital city of Gagauzia, intensified in 2002 as the region’s leaders increasingly felt that the Communist Party had failed to fulfill its campaign promises in 2001 to consolidate Gagauz autonomy in return for votes. When Chisinau did not honor the agreement, leaders in Comrat turned to cooperation with the separatists in Tiraspol. Fearing that the situation in Comrat might turn from bad to worse, President Voronin, assisted by his party colleagues in Parliament and the government, began a campaign to discredit the Gagauz governor, Dumitru Croitor, and the radical faction in the local legislature headed by its chairman, Mihail Kindighelean. Following the failure of a referendum to remove Croitor from office, the Moldovan Office of the Prosecutor-General initiated procedures against the governor for obstructing the vote. Moldovan police arrested Ivan Burgundji, a close aide to Croitor and head of the rules and protocol section of the Comrat legislature. Burgundji was also Comrat’s representative in Transnistria. The long political battle between Chisinau and Comrat ended as a result of elections in May for the chairman of the Gagauz legislature and in October for the governor. In both instances, men supported by Chisinau proved victorious.

On July 2, 2002, mediators in the Transnistrian conflict—the OSCE and the governments of Russia and Ukraine—presented to Chisinau and Tiraspol a proposal for federalizing Moldova. The plan produced vehement reaction from most of Moldova’s opposition forces, who argued that federalization would put an end to the country’s fragile pro-Western policy. That is, the proposed legislative and executive institutions would enable Tiraspol to participate in Moldova’s foreign policy decisions. Already the Communist-led government has aligned itself more closely with countries to the east, namely Russia. Although officials in Chisinau accepted the draft, Tiraspol rejected it, demanding instead a looser confederation along the model of Serbia and Montenegro. Such a structure would put the Transnistrian separatists closer to achieving their decade-old goal of full independence from Moldova. There are also voices in Comrat, especially among opposition leaders, who believe Gagauzia should enjoy equal standing with Chisinau and Tiraspol in a federation.

If implemented, the federalization plan would place Moldova under joint oversight by Russia, Ukraine, and the OSCE. Vladimir Socor, a senior analyst with the U.S.-based Jamestown Foundation, has described the plan as “a dysfunctional, unprecedented, and anachronistic solution.” Also problematic is the fact that no Western countries are involved directly in the settlement, and Russia, as a direct participant in the 1992 armed conflict in Transnistria, is not an impartial mediator. A statement from Russian officials at the close of 2002 that no changes should be made in the mediation mechanism confirms that Russia would oppose any efforts to involve new parties. Following the same rationale, Ukraine, which included the region of
Transnistria prior to World War II, hardly qualifies as an impartial mediator in the conflict. Many in Kyiv consider the situation a real opportunity for Ukraine to reacquire Transnistria. Likewise, leaders in Tiraspol consider unification with Ukraine an option once it gains its independence.

The United States, desirous of ending the conflict and preventing Russia from creating a second Kaliningrad in Transnistria, favors the federalization plan. Its main concern is the lack of progress in the withdrawal of Russian munitions from eastern Moldova. As per a joint declaration by U.S. president George W. Bush and Moldovan president Vladimir Voronin, who visited Washington, D.C., on December 17, 2002: “The [Transnistrian] authorities are being urged to unconditionally support the process of withdrawal of Russian troops from the territory of Moldova. If [they] continue to systematically create obstacles to the process of withdrawal of Russian ammunition and military equipment, then together with other interested countries, measures will be sought to constrain the Tiraspol regime.” Whether Chisinau will be able to use this as leverage to solve its main security problem remains to be seen.

Understanding the limits of the OSCE’s mandate, some in Chisinau believe that the return of William Hill as head of the OSCE’s mission in Moldova will strengthen the organization’s role in mediating the conflict. In addition, for the first time since the conflict began, a Moldovan president officially has requested that the United States and NATO get involved. Their response will depend on their interests in the region, Moldova’s ability to convince them, and Russia’s ability to oppose such a move.

**Rule of Law**

**Constitutional, Legislative, and Judicial Framework**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4.25</td>
<td>4.00</td>
<td>4.00</td>
<td>4.00</td>
<td>4.00</td>
<td>4.50</td>
</tr>
</tbody>
</table>

In 2002, the principle of the rule of law was under challenge in Moldova. This was evidenced by the rising number of cases filed by Moldovan citizens in the European Court of Human Rights and actions taken by the Parliament and government to suppress judicial independence. Also affecting the fragile balance of power among the legislative, executive, and judicial branches of government in 2002 were a series of judicial nominations based on loyalty to the ruling party, the dismissal of the ombudsman, and attempts to limit the independence of the Constitutional Court.

The first signal that the Communist government would use judicial institutions to serve its political interests in 2002 was the minister of justice’s
suspension in January of the CDPP, the main opposition political party, for organizing unauthorized rallies against government’s efforts to bring the country closer to Russia. The ban on the party’s activities was lifted in February after the Council of Europe asked the government of Moldova to explain how restrictions on the party complied with articles of the European Convention for the Protection of Human Rights and Fundamental Freedoms concerning elections and freedom of thought, expression, and association. The European Union (EU) asked the government to reverse the Ministry of Justice’s decision as well. In a letter sent to Moldovan authorities, the EU suggested that measures incompatible with respect for political pluralism and freedom of expression would affect future European Union policies toward the Republic of Moldova.

In April, the Moldovan Association of Judges (MAJ) signaled that the government had started a process of “mass cleansing” in the judicial sector. Seven judges lost their jobs, including Tudor Lazar, a member of the court of appeals, and Gheorghe Ulianovschi, the chairman of the Chisinau Tribunal. In the case of Lazar, the move was likely revenge for decisions by the court of appeals that favored the Basarabian Metropolitan Church and local oil importers over the government.

The situation worsened when President Voronin refused to prolong the mandates of 57 other judges. The MAJ conveyed a statement on the matter to COE rapporteurs who were in Chisinau at the time on a fact-finding mission. The government instructed the Ministry of Justice to delay court decisions related to the payment of material damages by state institutions. In October, Gheorghe Susarenco, chairman of the Moldovan Association of Judges, stated at a press conference that senior government officials were pressuring judges to issue rulings that favored government bodies.

In December, President Voronin promulgated a constitutional amendment giving him the right to appoint judges. Under the amendment, the head of state will appoint the chairs of courts, their deputies, and lower-ranking judges for four-year terms at the recommendation of the Higher Council of Magistrates. Parliament will appoint for four-year terms members of the Supreme Court of Justice, including the chief of the Supreme Court of Justice, the prosecutor-general, and the minister of justice. These changes provide evidence that the country’s Communist leaders are weakening judicial independence and subordinating this branch of governance to their authority.

In Transnistria the situation is even worse. In this separatist-controlled territory, there simply is no rule of law. The opposition is persecuted, the media are not free, and opponents of the self-declared regime are kept silent. Human rights are violated with impunity, and ordinary citizens are unable to defend themselves in court against oppressive Tiraspol bodies. Schools in which the language of education is Romanian are on Tiraspol’s
“blacklist” and do not receive any financing from the local budget. These schools are also forced to overcome artificially created obstacles like licensing renewals to avoid closure. A school in Grigoriopol has already been shut down, and a school in Tiraspol is only a few steps from closure.

In June 2002, the Moldovan Parliament adopted a long awaited civil code. The civil code in use until this time was the 1964 code of the Moldavian Soviet Socialist Republic. In approving the new code, the country fulfilled one of its outstanding commitments to the International Monetary Fund and the World Bank. By January 1, 2003, the government was required to submit proposals to Parliament on harmonizing existing legislation with the new code. Governmental acts that contradict the code must be canceled and then renewed.

The Constitutional Court made two rulings in 2002 that overturned laws passed by Parliament. First, it rejected a law making Russian the second official language in the country, along with Romanian. Second, it struck down a law on early local elections on the grounds that Parliament had restricted the right of citizens to elect their representatives and to participate in local governance. The Supreme Court, in contrast, issued a ruling in favor of the government that threatened Moldova’s relationship with its largest foreign investor, the Spanish energy company Union Fenosa. Specifically, the Supreme Court ruled in favor of the country’s Audit Chamber, which had called for the Office of the Prosecutor-General to file a lawsuit against the Spanish company for undervaluing the electrodistribution assets it had purchased for $25.3 million. In filing the case, the Audit Chamber sought to reverse the privatization deal and make it null and void. Ultimately, Moldova avoided a more serious international scandal when the Supreme Court declined a request from the Audit Chamber to actually abrogate the contract with Union Fenosa. The Farmaco Company, a U.S.-Romanian joint venture, and Air Moldova, a firm with significant German backing, have already been “renationalized.”

The defense of human rights in Moldova also suffered setbacks in 2002. In June, Alexei Potanga, the director of the Moldovan Human Rights Center, warned of the government’s intentions to dismiss the country’s human rights ombudsman for his annual report on the situation in Moldova. In late September, Parliament indeed fired Constantin Lazar, the ombudsman, allegedly for taking an extended leave from work. Lazar contended that he had followed appropriate procedures for informing his supervisors about his absence. Members of the opposition CDPP, who voted against Lazar’s dismissal, described the move as an act of revenge on the part of the CP for the ombudsman’s insistence on registering the Basarabian Metropolitan Church and for his authorization of numerous petitions submitted to the European Court of Human Rights and the Moldovan Constitutional Court. It is interesting to note that the vote on Lazar’s dismissal took place in
Moldova

Parliament the same day that the Parliamentary Assembly of the Council of Europe adopted a resolution on human rights and the functioning of democratic institutions in Moldova.

CDPP deputy Vlad Cubreacov, who represented the Basarabian Metropolitan Church before the European Court of Human Rights in Strasbourg, was kidnapped on March 21. The Basarabian Church’s victory before the court over its registration was a defeat for the Moldovan Metropolitan Church, which is part of the Russian Orthodox Church. Cubreacov was also one of the main organizers of the street protests that demanded the resignation of the president, the government, and Parliament and called for early parliamentary elections. Many observers believe that the Russian and Moldovan secret services were involved in the kidnapping. Others believe that Cubreacov’s disappearance was the work of the regime in Transnistria. The kidnapping occurred just days before a gathering in Chisinau of thousands of protesters.

Oazu Nantoi, an expert on Tiraspol-Chisinau relations at the Public Policy Institute in Chisinau, feared that the kidnapping of Cubreacov—a member of Parliament, a member of PACE, and a prominent opposition leader—might provoke violent clashes that could destabilize the delicate situation in Chisinau and aid the self-declared leaders in Transnistria in their illegal activities, such as smuggling goods and illegal arms exports. The mysterious reappearance of Cubreacov in Transnistria after more than two months raised more questions than his actual kidnapping. To date, the police and the secret service have not been able to produce any conclusive evidence of what happened. The only insight Cubreacov could offer was that he was held captive by Russian speakers and was released on the east bank of the Nistru River—a region controlled largely by separatists.

Another kidnapping occurred in August when Piotr Dimitrov, deputy head of the department in charge of printing passports, disappeared. Previously, Dimitrov had been a police colonel. Although law enforcement officers detained three suspects, including the driver who transported the kidnappers, Dimitrov has not been found. Kidnapping is not common in Moldova, but there is some danger that these unsolved cases could encourage more violent efforts to settle scores by eliminating one’s political or business opponents.

On March 14, the Parliamentary Assembly of the Council of Europe passed a resolution urging state institutions in Moldova to respect basic human rights. PACE specifically condemned efforts by Moldovan authorities to weaken the democratic opposition and to waive the parliamentary immunity of its leaders. PACE also expressed concern about the government’s decision to introduce Russian as an official language and to make it a mandatory course in the Moldovan education system. Also in 2002, the Human Rights Center, the state’s ombudsman institution, published a report that
provoked negative reactions from the Communist-controlled Parliament. The report states that “corruption, protectionism, economic crisis in general, promotion of incompetent persons to high-level posts—all worsen respect of human rights.”

On March 27, the European Court of Human Rights unanimously rejected an appeal from the Moldovan government on registering the Basarabian Metropolitan Church. The Moldovan government had refused 11 times to register the church since it was reopened in 1992. The ECHR stated that the Republic of Moldova had violated freedom of conscience and the right of citizens to appeal. In May, the European court examined a case filed by the employees of the state-owned company TeleRadio-Moldova. Striking journalists from the organization accused the authorities of practicing censorship, limiting access to information, and preventing freedom of expression. Also in 2002, there were a few cases in which the opposition accused Moldovan security services of illegally tapping their telephone conversations and intercepting their personal correspondence. Under Moldova’s penal code, such violations could result in one-year jail terms or fines of US$108–$195.

Finally, human trafficking that originates in Moldova is a major concern of regional law enforcement organizations and related Moldovan bodies. The government has approved amendments to the penal code, advertising law, and administrative code that could contribute to combating the sex business that flourishes not only in Moldova, but in southeastern Europe as a whole. Poverty in Moldova is considered the main cause of human trafficking.

<table>
<thead>
<tr>
<th>Corruption</th>
</tr>
</thead>
<tbody>
<tr>
<td>na na 6.00</td>
</tr>
</tbody>
</table>

Although the government attempted to improve anticorruption legislation and even dismissed a few high officials in 2002, the overall situation in the country did not improve. The three main causes of this stasis are (1) the excessive regulation of public service and economic activities; (2) the low salaries of public officers; and (3) the public’s lack of commitment to fighting corruption. Moldova is signatory to a variety of international conventions on corruption and money laundering, but its domestic legal framework for preventing and fighting corruption is flawed. Some experts believe that current legislation contains loopholes and contradictions that must be addressed. For example, the Law on Preventing and Fighting Money Laundering does not stipulate specific penalties. The Law on Fighting Corruption and Protectionism and the Law on Public Service are also vague, stating that public servants must submit declarations of their incomes but providing no mechanism for
implementation. The main state body authorized to fight corruption in Moldova is the Department for Fighting Organized Crime and Corruption, which is subordinated to the Ministry of Interior. However, this department has failed to combat corruption among high-ranking government officials owing to the immunity status accorded to members of Parliament, judges, prosecutors, investigators, and other government officials.

The State Anticorruption Council, headed by President Voronin, made a notorious accusation of corruption in February 2002. The council accused Deputy Prime Minister Andrei Cucu and Moldovan ambassador to the United States Ceslav Ciobanu of lobbying for the Ribnita Steel Mill, located in the breakaway Transnistrian region. The metallurgical plant, which contributes more than 50 percent of the Transnistrian budget but nothing to the central government’s budget, was under investigation in the United States for dumping steel on the U.S. market. When the United States raised its dumping fines to 233 percent, the two Moldovan officials were accused of lobbying for export taxes as low as 10 percent. Although Cucu and Ciobanu denied the accusations and even claimed to be victims of Communist repression, they were dismissed from government service. Also dismissed on charges of corruption in 2002 was Anatol Cuptov, the minister of transportation and communications. Cuptov was accused of misappropriating public funds, engaging in illegal activities while working for the local government of Balti, and abusing his power in dealing with problems related to the Giurgiulesti oil terminal, located on the Danube. Had he been found guilty, Cuptov could have been sentenced to 10 to 25 years in jail. Instead, the government appointed him head of the Giurgiulesti terminal in December.

In June 2002, the opposition CDPP asked the prosecutor-general of Moldova to investigate the Russian Lukoil Company, which donated five million Moldovan lei (around US$370,000) to the firm Metal Market for reconstruction of the Pushkin Museum in Chisinau. Opposition leader Iurie Rosca, who filed the inquiry, believes the transaction was actually a hidden bribe to President Voronin, given to him through his son Oleg Voronin, the director of Metal Market. Rosca stated that the bribe, if proven, would explain why Parliament amended oil import legislation in 2001 to constrain free competition (that is, favoring Lukoil) and awarded Lukoil chairman Vagit Alekperov a state medal.

The Moldovan Department of Statistics believes that 30 percent of the country’s GDP is in the gray economy and that approximately $400 million in shadow capital is transferred annually through commercial banks. Some independent experts believe the gray economy could account for even as much as 50 or 60 percent of GDP. The country’s Audit Chamber has suggested that Moldovan businesses owe some $80 million to the state budget in unpaid taxes. Even if the figures are conflicting, it is clear that the underground economy in Moldova is fertile ground for corruption. To address
the problem, the National Bank has adopted a set of recommendations that instruct commercial banks to monitor and report customers who are involved in illegal transactions.

Another serious problem that hinders economic and social progress in Moldova is Transnistria—referred to as an economic “black hole” both in Chisinau and in the international press. Those who use the territory to smuggle narcotics, cigarettes, alcohol, and oil products refer to the region more affectionately as a “tax haven.” The main Transnistrian firm authorized to conduct trade abroad is Sherif, a private company that is exempt from many kinds of duties. Vladimir Smirnov, the son of Transnistrian leader Igor Smirnov, heads the company. The younger Smirnov is also in charge of the Transnistrian Customs Office. According to estimates by Moldovan intelligence, Sherif’s annual turnover is $4 billion. Transnistria’s annual budget is less than $90 million, and the budget of the entire Republic of Moldova is only around $300 million.

This landlocked breakaway region has also become a haven for arms traffickers. In February 2002, the International Action Network on Small Arms published an investigative report revealing that the main business in the separatist Soviet-style region is the production and trafficking of arms. The report states that, according to the secret service of Moldova, international terrorist groups receive their supplies of arms, munitions, and nonconventional materials (chemical, radioactive, and even nuclear substances) from Transnistria. It is thought that al-Qaeda, Hamas, Hizbollah, al-Fatah, and other terrorist groups are among the purchasers of arms and munitions produced in the breakaway region. Guerrilla fighters in Abkhazia, Chechnya, and the Balkans have all fired BM-21 rockets, SPG-9 grenade launchers, RPG-7 antitank rocket launchers, and AK-6.62 and AK-5.45 rifles produced in this region.

Vlad Spanu is an Edward S. Mason fellow at Harvard University’s Kennedy School of Government. He specializes in development economics and has written on post-Communist economic transformations. Mr. Spanu was a senior Moldovan diplomat from 1992 to 2001 and a founder of the Viitorul Foundation. He currently sits on the advisory board of Viitorul’s successor, the Institute for Development and Social Initiatives, which is an independent think tank in Chisinau that advocates for social and economic reforms, democracy, and a market economy in Moldova.