



MOLDOVA'S FOREIGN POLICY AND THE PROSPECTS FOR RUSSIAN- MOLDOVAN RELATIONS

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WELCOME/MODERATOR:

Dmitri Trenin

Director, Carnegie Moscow Center

SPEAKER:

Iurie Leancă

Minister of Foreign Affairs and European Integration of Moldova

Trenin: Ladies and Gentlemen! Today is a special day for me. We have the pleasure to host in our center the Foreign Minister of the Republic of Moldova, Mr. Iurie Leancă and his accompanying parties – the Moldovan Ambassador to the Russian Federation Andrei Neguța and the distinguished employees of the Embassy and the Ministry of Foreign Affairs of the Republic of Moldova.

Today's topic of conversation is the foreign policy of the Republic of Moldova: the prospects for Russian-Moldovan relations are very pertinent to us here in Moscow and for Moldova as well, since now – almost two decades after the break-up of the Soviet Union and the formation of the independent state of Moldova, new realities emerged in this part of Europe, which do not fully correlate to the different expectations that people had twenty, and fifteen, and ten, and even five years ago. We see a different atmosphere; we see a different dynamic in Europe; we see a different dynamic in Russia. This requires a synchronization of our watches, this requires a more attentive treatment of what is happening, which will require a deeper knowledge of the developments in neighbor countries.

Well, and our neighbors are interested in learning more about how Russia is positioning itself in this European region – what its interests are, what its political are. Moreover, not only the thoughts of the official Russia, but the thoughts of the wider range of the population that deals with foreign policy and generates ideas, which will in one way or another be used for the realization of foreign policy.

This is the very context in which for us today the situation in the Russian-Moldovan relations presents a particular interest; taking into consideration the traditional close ties between Russia and Moldova, considering the problems that exist in Moldova, as well as Russia's participation in the resolution of these problems. There is probably no better interlocutor on this subject than the head of the Moldovan Foreign Ministry. By the way, I apologize; it is not only the Ministry of Foreign Affairs, but also of European Integration, which is very important. I must emphasize this.

Especially since Mr. Leancă represents a new generation of Moldovan politicians. He represents the new coalition government of Moldova, which replaced the government of the Communist Party. This is the country's new reality. We follow, with great interest, the emergence of a democratic Moldova – a democratic Moldova (not in the sense of the party, but in the sense of the country). With great joy, we see that in Moldova... Moldova is one of the few countries of the former Soviet Union, where the change of power occurred by constitutional means, through elections. This in itself is a very important and an interesting phenomenon. And so if you, Mr. Minister, are not only a minister, but also a politician who represents a political party, if you can or consider it possible to also tell us a little about this domestic political context of the formation of the country's foreign policy, we will be very grateful to you.

Please. It gives me great pleasure to give the floor to Iurie Leancă.

Leancă: Thank you very much. I must confess that for me, too, it is an honor to be here. Working at the Moldovan Embassy in the nineties in Washington, I often attended events of this nature at Carnegie. It was good there because they often held working breakfasts or working lunches. One could have something to eat, and at the same time have an interesting chat. Later, as deputy foreign minister in '98 and then '99 there were opportunities for discussion with your colleagues. This is why it is just as important and prestigious to be here, in your Moscow office. You were right to say that we need to do everything possible in Chisinau in order to present our point of view not only to those who make decisions, but also to those who have a certain impact on how these decisions are reached.

You said that I represent a new generation of politicians. I do not yet consider myself a full-fledged politician. I believe that my instincts are those of a diplomat, probably more so than of a politician. But I am learning. This is no easy job, rather a hard one, demanding. We'll see what we can do.

With regard to the name of the Foreign Ministry, I must admit that I wanted to call it Foreign Ministry without this addition – "European Integration". This is probably a tribute to the old fashion. But my colleagues felt that we should indicate in the name of the Ministry the country's definitive orientation. Compromises must always be found.

You have defined our topic today which is foreign policy priorities of Moldova and the relations between Chisinau and Moscow. If you allow me, I was invited in order to exchange views on where Moldova is now and what is the domestic political situation there.

In order to understand where we are now, if you allow me, I shall tell you very briefly what sort of a Moldova we found when we arrived to power after the elections of July 2009.

In my opinion, we found the country in a rather sad state. It is not only the poorest country in Europe with regard to the GDP per capita, but this is also a completely deformed political system. According to the constitution, it is a parliamentary country, but de facto, it is a country with an authoritarian regime, where one person basically decided everything, where the separation of powers, in principle, no longer existed and where the institutions of power already had a different logic for their activities.

As a result of this deformation of the political system, our economic system and the economic situation, were completely distorted. All the main policy directions' goals and our former government's goal was to control everything, to control how people think and how people make money, and avoid large capital inflows, because it could create some sorts of new centers and new alternatives.

I believe this and I have evidence for this.

This same thing had a direct major influence on how the government understood what is meant by human rights; what is meant by a democratic government; and how they should function.

And that, which occurred to us on April 7 last year, these mass riots, which unfortunately ended in the death of at least one person, in a great violation of human rights. It turned out that we have a system that has wholly outlived itself, that we need to radically change everything – the way our police forces operate, how our special forces operate, and how our legal system operates. Because those days sometimes gave off the impression that you are watching a film about the Stalin era, when the *troika* convened and took decisions on each and every individual, literally, not in court, but right at the police station. That is the kind of country we have inherited.

Talking about foreign policies and Moldova's relations with its neighbors, with the main players. Without a doubt, you are well aware that over the past eight years we have gone from one crisis to another with our western neighbor, Romania. Relations with Ukraine... Even if they were not so obvious, but [there was] a crisis situation – the absence of a some sort of political dialogue, and the accumulation of problems as a result of that, and problems, which carried in themselves large, negative charge – all this was rather obvious.

Therefore, in July of last year, when the former government decided to tighten the rules for the movement of Moldovan citizens crossing the Ukrainian border, in that they had to prove that

they have 1200 euro, while in Moldova this is a lot of money, can you imagine what affect this had on the citizens of Moldova?

I can offer you just one figure. In 2009, the citizens of Moldova crossed the Ukrainian border 3.8 million times. That is, if... And, again, for lack of understanding or desire to understand of the necessity on the part of Chisinau, that Kiev is a very important partner for us.

Our relations with Moscow – we will discuss them later. But basically, if you look at how they developed over the eight years from the big love in 2001, when Vladimir Voronin announced that we will now join the Russia–Belarus Union. Then we went through this crisis, after not signing the Kozak memorandum. Then, as in the love between two people, we had a... I do not know what to call this period. Then again, in 2006-2007 things got warmer. I do not know if Moscow wants to have such utterly unpredictable partners, but for a small republic, like Moldova, it is suicidal to have such relations with Moscow, and with Ukraine, and with other neighbors with much larger territories, economic and political potential. And the fact that after not signing the memorandum we have lost hundreds of millions of dollars because of the lack of export markets and so on, – it just goes to show that such a policy cannot be implemented in principal.

With the European Union, when we formed the government, our relations were frozen. There was no relationship because of the introduction of the visa regime for Romanian citizens.

And I will elaborate on the last point in this regard, speaking of our relationship with Washington. You know, the Americans, when you converse with them, they often ask: “How can I help you?” If you do not know, “how you want to be helped,” sometimes the very object of the interaction disappears. During these eight years, I got the impression that Chisinau had absolutely no idea what it wanted from Washington. Not to mention that when we came to power, the IMF mission moved out of Moldova with nothing. I can only add this bit – if the crisis existed worldwide, according to the perspective of the former Moldovan government, the economic and financial crisis had no impact on Moldova. We were an island of stability in this big ocean full of tsunamis. Why – that's clear. Preparing for the April 5 elections, the first election, we had to prove that, thanks to the wise policy of the ruling party, all was well with us and we were ready for this crisis. As a result, when we created the government, of course, we fought not only the crisis, but already the consequences of the crisis, which put us in even more difficult conditions.

What have we succeeded in doing from the September 25 to the present day? These eight-something months. I think that in terms of our internal development, in the very least, there is no longer that fear that anything whatsoever can happen to you if you somehow expose yourself as an opponent of the regime. We have, despite the fact... You have stressed that Moldova is probably a unique case with the exception of the Baltic countries in post-Soviet space, where the change of power is occurring through democratic means.

In addition, we have an interesting experiment – we have a second experiment of the coalition government. On the one hand, it is good. This shows a certain – not yet wisdom – we have a long way to go to wisdom, but understanding of cooperation, understanding of the value of finding various compromises and opportunities to work together. This shows that our political system is more or less... not yet formed, but is heading in the right direction.

On the other hand, of course, having four parties that have such different, often dramatically so, foreign and domestic policy objectives is not the easiest thing. Especially when you inherit a

country that is in such a deplorable state. And especially when... The prospect of early elections is on the horizon.

But nevertheless, it is called in English “checks and balances,” separation of powers, for us it is more or less evident, is a reality. This is definitely already a very positive factor, in my opinion. Of course, our judicial system has not yet become an independent institution of power. To do this we need to apply even more effort. Because the resistance from the representatives of that power is so strong, over the past seven or eight months we have not been able to overcome the internal resistance. Just last week, in the first reading at the parliament, parliament members for example, spoke in support of eradicating the so-called economics courts. And this is one of the main elements of the corruption system. But, again, we still have a long fight ahead of us, a long way to go.

Mass media. New, independent television stations have appeared in our country. One can watch different talk shows from morning till night. The public television is finally operating as public television, and not as the television of a single party. People even joke that they now see even more of Voronin and the representatives of the Communist Party on our television than during the time when the latter were in power. This, for me, is a positive indicator in the sense that now, the principle of objective reporting on what is happening in Moldova, bringing objective information for our citizens, more or less works.

Economy. Without a doubt, now we have started to accomplish a certain turn for the better. There is certain growth – two-something percent of economic growth. Exports are growing. But considering what we have gone through, we have many, many problems. We agreed with the IMF when they came to us with their mission in October. They left us just a week ago. So far, all the key parameters we agreed on are being executed, because first and foremost, we are interested in making our economy functional and in creating normal conditions for further growth.

Of course, the issue of with elections creates new additional problems, because when... We already had two elections last year. We have talked about expectations. Especially in our country. We’ve had almost 19 years of independence. We still have not seen the light at the end of the tunnel. Because of this, people... I was once asked by foreigners about four years ago: why is it that given your deplorable social situation one does not see anyone out on the streets, protesting? Because people just leave for Russia and for the West. And the number of those who left... Our statistics as you know are not the best in that regard. Perhaps, it is probably even hard to cite an objective figure. But from half a million to a million. Such a large fluctuation of figures. But this is a very large number of people, the most active people, those who could have in principle contributed to the development of a normal economy.

One of our fundamental tasks is to make these people believe in the future of this state, and not just in any future, but in a stable European future. The task of this government was to secure modernization, to pull the country out of this crisis, from this constant deadlock and to prove to the people, first of all, to our citizens, that there is a better future. We must now slightly tighten our belt, but two three years from now we will have this prospect. For this, one needs to have not only good results, one must be able to communicate well, and this is called “communication” with our citizenry. We still have certain problems in this regard, but there are achievements. Modernization for us is synonymous with Europeanization. And on that note, I will move on to foreign policy.

You are probably aware that in all the public opinion polls, about 70% of Moldova’s citizens consistently speak up in favor of the European future of Moldova – for Moldova's membership in

the European Union. Probably, on this basis, any politician or party that wants to achieve something, has to be on the same wavelength as the country's citizens, has to do everything to gradually turn this aim into reality.

Based on this and on the fact that my colleagues and I feel that there is no alternative to the modernization of Moldova than this path. Because there exists a very positive experience of our western neighbors who have passed this way and for whom European integration has meant a strong incentive for conducting all these reforms, in the social sphere and in the sphere of the reform of what is called the "security sector," starting with the police, the judiciary system and so on and so forth.

But certainly, we have lost a lot of time. Unfortunately, over the past eight years, our predecessors, instead of working on this, only paid lip service, so to speak, to this fashion of European integration. In reality, nothing happened.

If we had previously compared ourselves with our Western partners, having come to power we had to already compare ourselves with the Ukrainians. And we once again became convinced that the Ukrainians began talks on the same contract about the association with the European Union two and a half years before us. It gave them certain advantages in regard to the dialogue about visas, and in regard to the zone of free trade, and with the respect to more substantive and meaningful relations with the European Union.

So for us it was very important to make sure that all the reforms that we started would be euro-reforms, meaning that they should be consistent with our current and future obligations within the framework of the European Union. For example, starting with the liberalization of air space. We used to have a monopoly. The budget did not receive anything, and the citizens paid the highest prices on fares. That monopoly existed and the bureaucrats live well to this day. That is why we need to change all this.

Again, it was absolutely obvious that we will try very quickly to establish a relationship with the European Union and to establish a qualitatively new cooperation. I think that, in principle, we have succeeded.

Just on Monday I was in Sopot. I did not sing; I did not participate in the festival. I, unfortunately, don't have the voice. There, we participated in the conference of the Eastern Partnership and of the Ministers of Foreign Affairs of the European Union. I was very pleased to hear – at least in the conversations behind the scenes – that Moldova now has almost become a model citizen in this regard: in how we are moving ahead in the bilateral format stipulated by the Eastern Partnership, in the debate around the treaty of association, and in how we carry out reforms in various fields.

This very positive perception of government actions enabled us, when we met with donors in March of this year (unfortunately, Moldova is still dependent, it is, so to speak, sitting at the Donors' needle), this has allowed... On the other hand, the vision of how we would like to decide the future of and build Moldova, enabled us to secure the minimum amount of \$2.6 billion for the next 3-4 years from our main partners. There, we presented a vision of Moldova, as we see her in 3-4 years, we presented a document which in English is called "We Think Moldova." I do not know how to better call it in Russian. And, so, there is definite big potential for cooperation with the European Union.

What will happen later, when we can achieve the European prospect, that is, when we move from simply being a neighbor candidate country, today, I can't answer that, because if we did not

have the prospect of elections ahead, perhaps we could make more optimistic and concrete assumptions. And considering the fact that we will have elections, considering the fact that I'm still not sure if the processes of democratization in our country... if we have overstepped this point of no return into the past, then perhaps, and it is naïve and not entirely responsible to make any predictions. I think that after the elections, if they take place say, in the fall, we will have more or less the same coalition; we will work in the same context. We must also see how the situation will evolve in the framework of the European Union. But I also, quite optimistically think that in two-three years, we could achieve the recognition of the European prospect for the Republic of Moldova.

You've said that now, in your opinion, the desire to expand there has been diminishing more and more.

Replica: Yes.

Leancă: My sense is a bit different. I would not, again, mention any specific numbers, but I think that we and they are interested in the creation what is called a "success story." And we want for us to become a successful country because it is important to them and I hope, that it will be important to our Eastern neighbors as well.

To add just a couple of words about our relations with two of our neighbors: Romania to the west and Ukraine to the east. With Romania, the most important for us was to change the tone, to move from the logic of confrontation to the logic of dialogue. Because most of the problems that existed between our predecessors and Bucharest were, in my view, entirely artificial. These problems can be solved if there is a desire and a constructive approach. In principle, we have demonstrated with such approaches, that it is possible to have perfectly normal, solid, and trusting relations.

We now have good dialogue on all levels. We are trying to discuss more specific projects now. Let us not forget that the western border of the Republic of Moldova is the eastern boundary of not only Romania, but also of the European Union. And all our border projects mean, first and foremost, projects with Romania. The creation of some sort of energy bridges and transportation bridges, etc. Again, this means that we must interact well with Romania.

Certain gaps still remain. We have not yet signed the documents about the border regime. We have not yet signed what is called a basic agreement. But we are absolutely sure that if we in the future approach problems in this positive way, then all these problems will be resolved, and we will have perfectly normal, good neighborly relations.

With regard to Ukraine. I have already told you about the problems that have accumulated. As you all well know, Russia too has (or at least had) problems with demarcation. These are all very sensitive issues. Problems of ownership are again, sensitive issues. So, of course, it was very important for us to try to establish good relations with Kiev, get rid of certain suspicions, and try to solve the existing problems related to demarcation and property. I think we've come along quite a bit.

Then they held elections and the new administration has come to power. And now we again find ourselves in a period of time when we were mending bridges. I hope that we will succeed in building positive relations with both the new president and the new government. We have no other alternatives. It is in our vital interests that our relations with Kiev are as good as possible, so that we can resolve these problems as soon as possible – problems that are yet to be solved,

and focus our attention on what unites us, focus our attention on that very Transnistria conflict, on coordination of certain actions with regard to European integration, on energy issues and etc.

Now with regard to Russia. A few words. Although this is my first visit to Moscow in my in my new role, it is not my first meeting with Mr. Lavrov. He was in Chisinau in October, and we also met in Athens during the meeting of foreign ministers of the OSCE. We have also talked on the phone on occasion. Meaning, we have always kept up some kind of contact. Our deputies have met and there were meetings at the prime minister level, quite recently on Friday in St. Petersburg. We had a very clear and precise line of conduct. We need to build a very good and trusting relationship with Russia.

Certainly, when we came to power, perhaps there was some distrust. Probably there were, and to some extent still are, are certain stereotypes associated with who we are – that we are a very right of center party with our foreign policy objectives, because... I will never forget how surprised I was when one of your colleagues, not from your Center, but from one of the Moscow institutes, came to Chisinau in September, before the formulation of the government, and he in all seriousness tried to prove to us that when we come to power we will immediately begin to unite with Romania. Unfortunately, this is... It may be funny, but it's a bit sad.

Replica: Tell me who that was.

Leancă: Doesn't matter One needs to break these stereotypes; to show that we have a completely different mindset, and that with respect to Transnistria, we are not going to start any new wars, we have no intention to force them to be our friends; that are not planning to start antagonizing other countries with all sorts of new declarations, for example, about joining NATO. We have enough problems. For us, the most important thing is the modernization of the country – creating preconditions for a stable and normally developing country. It is very important for us not to create additional problems and solve those that we already have, and make it so that our partners would want to help us, so that our partners would want to have normal relations based on the recognition of mutual interests and, of course, if this is possible, upon mutual respect.

That is our baseline when we attempt to build a relationship with Moscow. I think that we will establish a good political dialogue. If you look at our trade relations, we have been able to, gradually, solve those problems that have existed in the recent years. Just today, upon arrival to the airport, I met with Moldovan winemakers. They were going home very happy: now, we hope that in June we will be able to open two more customs points for the Moldovan wine. As of today, there is only one. We are not placed in the best of positions. I don't know, if there exists, in relation to the winemakers of other countries...

Replica: No.

Leancă: No. We won't qualify; we won't give any definitions. The most important thing is to find a solution. And we are confident that we will be capable of resolving this issue. Well, here fairly briefly... I would like to stop here. And it would be nice to have a dialogue.

Trenin: Mr. Minister, thank you very much for this very thorough survey of the contemporary situation in your country and its relations with key players, as well as the foreign policy orientation of the country. I think you have painted a very interesting and dynamic picture. And it, of course, sets up a positive tone. We hope, we would very much like to see you succeed in achieving the goals you have set for yourselves: the goals of modernizing the country, integrating it and of course, improving the lives of people who live in Moldova and with whom

many of us are very closely related. With this we conclude the public format portion and move on to Chatham House rules.