

Fresh Insights Paper: Finding the way forward for Moldova and Transdniestra

By Alexander Jackson

The conflict between Moldova and its separatist breakaway region of Transdniestra has garnered more international attention than usual in the wake of the war between Russia and Georgia, since the situation in Moldova is commonly grouped with the separatist regions of Georgia and Nagorno-Karabakh as one of the post-Soviet 'frozen conflicts'. However, the four vary considerably in causes, processes, and geopolitical significance. Transdniestra is particularly distinct among them due to:

- The low levels of violence in the active stage of the conflict and current rejection of the use of force by both sides
- The fundamentally economic and political, as opposed to ideational or ethnic, nature of the conflict.
- The (relatively) high chances of a successful and peaceful solution to the conflict

Although the conflict was precipitated by a law declaring Moldovan the state language in 1989, the initial conflict has since frozen and the ethno-linguistic aspects have become less significant. Economics and political power-seeking are the two biggest local determinants of the conflict. Weak governance in both entities means that the personal policy of their leaders – Vladimir Voronin in Moldova and Igor Smirnov in Transdniestra - is extremely influential. Russian involvement is critical for the continued preservation of Transdniestra's de facto independence.

The security situation

The risk of a return to conflict is very low. Chisinau has insisted that force will not be used to settle the dispute¹, and it is unlikely that this position will shift in the foreseeable future. In part this reflects the presence of the 1400 members of Russia's 14th Army stationed in Transdniestra. Although the Russians would be probably unable to hold back the Moldovan military alone, their principal function is to serve as a tripwire and a deterrent², as well as a geopolitical outpost of Russian influence: Moscow has insisted their withdrawal is conditional on a peace settlement, a condition that was agreed upon by Chisinau in March 2009. The troops were due to be withdrawn in 2002 to help bring Moscow in line with its Conventional Forces in Europe treaty obligations, but have not done so³. In any case, Russia suspended its observance of CFE regulations in 2007 and has shown little willingness to reconsider.

The Moldovan military remains weak. Co-operation with NATO under the Partnership for Peace programme, amongst others, has helped to improve the

¹ ['Moldovan Premier Says Transdnier Resolution Will Be Peaceful'](#) RFE/RL 03/09/2008. Accessed 13/12/2008

² ['Who's Next? Russia's Cat and Mouse Game with Moldova'](#), William Hill, opendemocracy.net, 24/10/2008, para.15. Accessed 13/12/2008

³ ['Questions and Answers on CFE'](#), NATO, May 2007, page 2. Accessed 12/12/2008

country's capabilities and re-orient its defence posture towards 'soft' security threats such as weapons proliferation rather than full-blown war. However budgetary and institutional problems continue to challenge this transformation⁴.

The ceasefire between the two sides has held since 1992. A Joint Control Commission (JCC), comprising Moldovan, Transdnistran, and Russian troops, and monitored by the OSCE, has patrolled the border zone, and has been successful insofar as no fighting has occurred. The OSCE mission verified a mutual withdrawal of armoured vehicles from the border zone in 2003.

Political aspects

Political and economic competition between the elites in Chisinau and Tiraspol constitutes the principal obstacle to peace in Moldova. Economic motives underpin much of the rhetoric and posturing, but it is undeniable that the demand for independence by Transdnistran, and the insistence of Moldova that the country must be unified, which structures the conflict. Moldova has repeatedly offered Transdnistran broad autonomy in a loose federation, but obstacles over the withdrawal of Russian forces, democratization in the enclave, and smuggling continue to impede progress⁵.

The domestic political situation in both entities remains corrupt and fundamentally unfree. Moldova is dominated by President Voronin's Communist Party (CPM), which has used state resources to influence election results in its favour⁶. Ingrained corruption, and the lack of a free media⁷, undermines Chisinau's insistence that Transdnistran democratise before it is re-integrated. Tiraspol itself is "essentially a dictatorship run by Smirnov and his security chief, Vladimir Antyufeyev", according to Crisis Group⁸, although it also reports that a more pragmatic pro-business movement, Renewal, is developing in importance, and did well in 2005 elections for the admittedly toothless legislature⁹. In both entities, state-controlled media skew public opinion towards the other side, despite the lack of animosity amongst the general public¹⁰.

The lack of political and civil-society opposition at home reduces the accountability of the authorities and reduces pressure to resolve the conflict. The two sides also possess their own, distinct, reasons for intransigence. President Voronin is under pressure from Moldovan nationalists to refuse any deal which would grant Transdnistran or Russia disproportionate influence – protests by these nationalists, along with Western urging, forced him to abandon signing the Kozak Memorandum in 2003, an agreement which would have legitimised the Russian troop presence and given Transdnistran significant clout in the Senate. President Smirnov and his associates, meanwhile, have strong business interests

⁴ Saferworld, [SALW Survey of Moldova](#), 2006, p3

⁵ International Crisis Group, *Moldova's Uncertain Future*, 2006, p11

⁶ CRS Reports for Congress, [Moldova: Background and US Policy](#), Steven Woehrel, 2008, pp1-2.

⁷ Moldova's ranking on Transparency International's [Corruption Perceptions Index](#) improved during 2005 and 2006, but has since decreased from 79 (in 2006) to 109 in 2008

⁸ Crisis Group, *Future*, p12.

⁹ *Ibid*, p10

¹⁰ ['Moldova Might Kick Independent TV Station Off The Air'](#), *RFE/RL* 11/12/2008. Accessed 13/12/2008.



in maintaining the status quo¹¹, which enables them to profit from illegitimate import/export schemes.

Economic challenges

The Transdniestrian economy is heavily reliant on these black-market systems, as well as some industry (notably the Ribnitsa steelworks). There are accusations that the enclave acts as an arms-trafficking 'black hole': although it is recognised that this is exaggerated, limited monitoring capabilities means that the scale of the problem may be higher than recognised¹². Recognising the role of trade (legal and illegal) for the survival of Smirnov's regime has led to pressure against it in two principal areas. Firstly, Ukraine introduced a customs regime in early 2006 which restricted entry from Transdniestra to those vehicles with a Moldovan stamp, thereby forcing Transdniestrian companies to register in Chisinau. This is designed to curb the illegal import/export schemes and make registered and legal exports, in particular to the EU (which has a preferential tariff agreement with Moldova) more attractive.

The customs regime was introduced in conjunction with a major European Union initiative, EUBAM (European Union Border Assistance Mission to Moldova and Ukraine¹³). European monitors provide technical assistance and training to Moldovan and Ukrainian customs officials along the length of the border (see Map 1). The mission has so far had positive results, although its long-term goal is ultimately to foster institutional capacity in the border services themselves.

EUBAM is intended to cause enough problems for Transdniestrian businesses shipping illegitimate goods through Ukraine to persuade them that integration with Moldova, and thus access to legitimate markets, is in their financial interests. This is only possible because, as noted, ethnic animosity plays a very minor role in the conflict. However, EUBAM is unable to force the Tiraspol regime into surrender whilst Russia still provides economic assistance.

External Actors

Russian subsidies to Transdniestra are hard to ascertain accurately, although it owes \$1.8 billion in unpaid gas fees alone, and Russia also supplies investment and aid¹⁴. This economic support is vital to the functioning of the Transdniestrian government. Through blocking Moldovan imports and gas, as it did in 2006, Moscow can also exert huge leverage over Chisinau, since Moldova's economy is heavily based on exports to Russia¹⁵.

Economic assistance and the presence of Russian troops constitute two aspects of Russian support – the third is political backing. Russia has used its position as a guarantor of the conflict under the mediating framework to push the two sides towards an acceptable solution. In mid-March 2009, President Medvedev of

¹¹ 'A Thaw In The River', *Economist* 19/4/2007, para. 3.

¹² Crisis Group, *Future*, p7; Saferworld, *Survey*, pp23-26.

¹³ <http://www.eubam.org/>

¹⁴ Crisis Group, *Future*, p4; Hill para. 4

¹⁵ '[Counting Losses as Russian Wine Ban Lingers](#)', *RFE/RL* 4/4/2007. Accessed 13/12/2008



Russia hosted Voronin and Smirnov in Moscow. The two sides signed a deal agreeing that the Russian force should be replaced with an OSCE peacekeeping operation, but only once a political solution was found.¹⁶ This essentially commits Voronin to an acceptance of the Russian forces, and gives Russia a vested interest in prolonging the conflict. The deal also treated the two sides as co-equals, with reciprocal guarantees to implement agreements demanded from both sides.

Smirnov subsequently issued travel bans for EU and US diplomats, dismissed the current EU envoy as a 'zero'¹⁷ and offered to give Russian troops basing rights. President Voronin called off the next bilateral round of talks in protest. These moves suggest that, having coaxed (or lured) Chisinau to agree to the status quo, Moscow and Tiraspol are attempting to edge out the other members of the negotiating framework (the '5+2 format' comprising the three key parties, Ukraine, the EU, OSCE and US). Although this may boost the electoral chances of the Communists, it also commits them to a seemingly perpetual format which rejects their stated desire to remove Russian troops.

Ultimately Moscow's interest in Transdniestra is not in the enclave itself; rather, it is what Russia can gain from withdrawing support and essentially returning it to Moldovan control. Guarantees of Moldovan neutrality, and in particular a commitment to avoid NATO (and possibly EU) membership are the key demand.

Although the EU and the US have no desire to see the conflict drag on, neither are they willing to support a deal which consolidates Russian geopolitical influence at the expense of the West or which leaves Russian troops in violation of its CFE obligations. Nonetheless, many states in Europe are simply not willing to irritate Russia by blocking its peace-brokering attempts, which are admittedly far more energetic than the Union's. This is especially true after the Georgian war. The muted reaction from the West after the Moscow meeting, despite the increased focus on the trilateral format at the expense of the 5+2 system, is clear proof.

Moving forward in 2009

President Voronin is due to step down in early April when his second term expires. Nonetheless, he has made it clear that he intends to stay in politics, declaring in February that after the election he "will be right in the middle of all events in the country". Moscow's willingness to strike a deal with him at the end of his term indicates that the Kremlin expects a degree of continuity. It also illustrates Moscow's ability to influence the political cycle – President Medvedev and Prime Minister Putin are the most popular politicians in Moldova, so their dubious benefaction towards Voronin should guarantee the CPM's success¹⁸.

¹⁶ ['Moldova, Transdnestr agree to continue talks on disputed region'](#) *RIA Novosti* 18/3/2009. Accessed 31/3/2009

¹⁷ ['Moscow, Tiraspol Sideline the West From Negotiations on Transnistria Conflict'](#) Vladimir Socor *Jamestown Eurasia Daily Monitor* 6.61 31/3/2009

¹⁸ ['Lavrov Offers to Unfreeze Transnistria Negotiations on Eve of Moldova's Elections'](#) Vladimir Socor *Jamestown Eurasia Daily Monitor* 6.40 2/3/2009



In Tiraspol, Smirnov's hold on power will remain secure as long as he retains Russian support. He will continue to push for independence, although Russia will continue to rebuff him: it has stated that, provided Moldova acts cautiously and peacefully, it will not recognise Transdniestria as it did Abkhazia and South Ossetia¹⁹.

Voronin's Faustian pact in Moscow on March 18 has guaranteed him electoral success at the expense of progress on Transdniestria. Although the OSCE would be happy to deploy a peacekeeping operation there (notwithstanding any machinations by Russia to limit its activities), the Moscow agreement states that such a transformation will only occur once a political solution has been found. Smirnov's recent statements suggest that, with at least implicit Russian support, he has no desire to move towards one.

EU and US policy will remain cautious. President Obama has no experience of Moldova and the situation will remain a low priority unless Russia makes a sudden move there, which is very unlikely given that Chisinau will not provoke it. The EU's new 'Eastern Partnership', which includes Moldova, is intended to facilitate discussion on visa regimes, trade ties and borders²⁰. It is unlikely to provoke too much ire in Moscow, which has been grudgingly tolerant towards EU neighbourhood policy provided that this does not equate to membership. However, the Eastern Partnership – through aid and technical assistance – will contribute to increasing the attractiveness of Moldova to business and political elites in Transdniestria, which may bolster the Renewal movement. It is still unlikely that the movement will be capable of challenging Smirnov's authority, which is founded on control of security and political structures, but it could decrease his support and leave him increasingly isolated.

EU assistance will be, to an extent, conditional upon democratic reforms in Moldova, including lifts on press curbs and political opposition. President Voronin's successor will therefore have to decide which is more important. On the one hand, he can liberalise the country and weaken the influence of political-business circles, thus building a warmer relationship with the EU and making Chisinau more appealing to Transdniestrians. On the other, he may conclude that strengthening his domestic political control and embracing Russia over Europe will provide them with the leverage required to force Tiraspol into a settlement. This may well backfire if Russia chooses, but Europe is hardly the more attractive option given the acrimonious row between Eastern and Western Europe over the financial crisis.

The chances of a decisive breakthrough this year are slim. The Moscow declaration has legitimised the Russian presence and, if Russia takes Smirnov up on his offer on basing rights, would institutionalise these forces. Having secured continuity in Moldova's domestic politics, the Kremlin has little cause to push forward a political agreement. And whilst relations between Russia and Ukraine remain poor, keeping Kiev's western neighbour weak and maintaining Russian troops there makes good geopolitical sense.

¹⁹ ['Russia Warns Moldova Against 'Georgian Mistake''](#) RFE/RL 25/8/2008. Accessed 15/12/2008.

²⁰ ['Eastern Partnership'](#), EU Press Release 3/12/2008



The hope is that a thaw in relations under the Obama administration – particularly if Washington is willing to compromise on, inter alia, missile defence and NATO enlargement – could lead to greater Russian co-operation in Moldova. However this should not be taken for granted. Since President Obama’s election Russia has repeatedly blown hot and cold, alternating cooperative gestures with geopolitical challenges (such as pressuring Kyrgyzstan to eject the US from its Manas airbase). And the strategic calculus cuts both ways. Moldova is not a high priority for the US, and Washington is likely to drop support for Chisinau, or at least ignore it, if the issue were to stand in the way of ‘pushing the reset button’ on relations with Russia.



Map 1



Source: <http://eubam.org/>

Map 2



Source: US State Department