

The Newsletter is based on the radio programme broadcast on December 16th, 2014, produced by the Foreign Policy Association of Moldova in partnership with Friedrich-Ebert-Stiftung (FES). The programme is broadcast on the Radio Moldova public channel and on the Vocea Basarabiei Radio. The programme is part of the FES/APE "Foreign Policy Dialogues" Project. The content can be reproduced by mentioning the source.

NEWSLETTER

MONTHLY BULLETIN • DECEMBER 2014 • NR.10 (104)

Synthesis and Foreign Policy Debates

The materials are realized by Lina Grau, foreign policy expert and programme coordinator with APE.

TOPICS OF THE EDITION:

- 1.** 2014 - The first steps on the long road towards the European integration. **Nicu Popescu:** In 2014, Moldova dropped the anchor that will keep it on the European path
- 2.** **Viorel Chivriga:** The delayed reforms had a negative impact on the economy in 2014.
- 3.** **Mihai Cernencu:** Even if Russia reopens its market for Moldova, we must understand that the crises might repeat.

The last period has been marked by a series of important events for the Republic of Moldova.



On December 22nd, the Republic of Moldova and Romania signed the contract on the gas import from Romania which is an important step towards ensuring energy security of the country. The contract shall enter into force on January 1st, 2015, and the price is fixed at about \$ 277 per thousand cubic meters, which is considerably cheaper than the gas supplied by Gazprom. In the second half of 2015, the Moldovan authorities are planning to begin the construction of the pipeline segment which will enable the Romanian gas supplies from Ungheni to Chisinau. The Iasi - Ungheni pipeline has a capacity of 1.5 billion cubic meters per year, a volume which could cover the gas consumption needs of the Republic of Moldova excluding Transnistria.



The Ukrainian President Petro Poroshenko signed the law providing for renouncing by Ukraine of the neutral status. Poroshenko said that in a 5-6 year perspective, when the country reaches the standards required by NATO, the Ukrainians will be able to decide if Ukraine should join NATO. The new law which was adopted by the Verkhovna Rada on December 24th and which invalidates the legislation which did not allow Ukraine join any military bloc, was severely criticized by Russia.



On December 26th, the president Vladimir Putin signed Russia's new military doctrine, which defines the extension of the NATO military capabilities and the regional instability as major threats to the country's security. The main internal risks are considered to be the terrorism and the activities that could destabilize Russia.



The NATO spokesperson Oana Lungescu has reacted to the analysis contained in the new military doctrine of Russia, pointing out that the crisis was caused by Russia's interference with Ukraine rather than the Alliance's decision to strengthen its Eastern flank following the annexation of Crimea.



The pro-European parties in Chisinau have failed during one month since the elections to form a coalition and the new government, motivating this with disagreements on the principles of the future alliance operation.



The Parliament convened its first session since the elections from November 30th, during which the parliamentary groups were formed. The meeting was held on December 29th, the last day afforded by the legislation.



The newly elected Romanian president, Klaus Johannis, has announced that he would pay his first official visit abroad to Moldova. The visit is planned to take place in the period of January 22nd to 23rd. During his visit, the Romanian President will meet with Moldovan political leaders and give a speech at one of the universities in Chisinau.

The year 2014 – the first steps on the long road towards the European integration



The year 2014 was very important for the European course of Moldova. It is the year when Chisinau signed and ratified the Association Agreement with the EU, obtained the liberalized visa regime with the European states and began to feel the first benefits from the trade liberalization with the EU.

However, things are not that clear as the pro-European society expected mainly

because of the inconsistency in reforms, failure to obtain results in fighting against corruption, slow pace of the judicial reform which is opposed primarily by those within the judiciary system, but also because of the inconsistency of the politicians who often seemed to be preoccupied with personal and group interests rather than the interests of the citizens.

Nicu Popescu: In 2014, Moldova dropped the anchor that will keep it on the European path



Nicu Popescu, expert at the European Institute for Security Studies in Paris, said that currently, the situation in the region is very fluid and difficult to predict. However, in 2014 Moldova managed to drop several anchors designed to maintain it in future on the European path, says Nicu Popescu.

■ **Nicu Popescu:** The situation is very fluid. You know it that some months ago Russia believed it obtained a kind of victory in the case of Ukraine: Crimea has been annexed, the Ukraine was practically ruined ... And all of a sudden, the Russian economy deteriorated, the price of oil dropped ... So we cannot be certain with regard to such countries as Moldova, Ukraine and Russia. And this is a big disadvantage. Obviously, from a strategic perspective, the situation in Romania, Lithuania and Poland is more predictable and more irreversible than that of Moldova and Ukraine.

On the other hand, Moldova has made firm steps dropping strong anchors in the European space. This is about the visa liberalization and in the long-term future, if the Chisinau government doesn't make

big mistakes in the foreign and domestic policy, the Moldovan citizens will be able to travel without visas in the EU countries. And this is very important.

Another very strong anchor is the Free Trade Agreement with the European Union. The Association Agreement and the Free Trade Area with the EU is a great opportunity. We have already observed the first positive effects as a result of the increase in the agricultural exports to the EU. But I assure you that no major Western investor will come to Moldova just because of the Association Agreement. There should be substantial improvements in the business environment, fighting against corruption and the judiciary reform.

Another effect of the Association Agreement is that it will make it more difficult for Moldova, including for any left-wing government, for a period of more than 3, 5 or 10 years, and practically impossible, to reorient towards the Eurasian Union in the conditions when more than half of the Moldovan trade is with the EU, but also because Ukraine will not join the Eurasian Union in the

foreseeable future due to its de facto war with Russia. All these circumstances make it almost impossible for Moldova to reorient towards Asia. Any government will have to take into account these economic and political anchors that Moldova and the pro-European government has dropped in the EU in recent years.

■ **Lina Grău:** You are speaking of anchors, but there are also threats for Moldova on its European way. What are the main things that could, in the worst scenario, compromise this way?

■ **Nicu Popescu:** I think the main threats are of internal nature as the Moldovan state, the state institutions are largely decayed. Some institutions have improved their functionality in recent years, but the cases of successful institutional reforms are still very few. Moldova continues to be a rotten state because of corruption, the political class of both right and left-wing which discredited itself in the eyes of the population, the justice system, the inefficient system of tax collection, and the business climate which puts excessive pressure on the businesses and which failed to create good working conditions.

So, in all these respects, the state remains rotten, creating opportunities for complications of internal nature – the disappointment of the population increases, the popularity of the Eurasian illusion is on the rise as well as the wish of a large part of the population to have strong leaders such as Putin and Lukashenko...

All these internal problems create opportunities for external factors. Firstly, let's put it straight that the Russian Federation is investing in the building of its Eurasian dream project of post-Soviet reintegration. Obviously, in this process Russia is taking advantage of the internal weaknesses of the post-Soviet states. We have seen what Russian has done in

Ukraine in the last year: infiltration into Donbass and annexation of Crimea as well as the connections based on corruption with the Yanukovich regime. All these things were possible because Ukraine was a rotten and corrupt state having offered to Russia ample opportunities of exploiting its weaknesses...

Things are very different in the Baltic States that have a much greater institutional resistance to Russia. This is true even in Georgia, thanks to the efforts of Saakashvili who reformed the police and special services, including the counter-intelligence and the military. Russia's ability to infiltrate and influence from inside the situation in a country like Georgia and Lithuania is much lower than Russia's ability to influence the internal situation and politics of countries like Ukraine or Moldova. In this sense, the external factors resort to manipulation whenever it is allowed by the corrupt political class and unreformed state institutions, which provide the external actors with possibilities for geopolitical manipulation.

Lina Grău: What you are saying is that for Moldova, even against the background of a rather slack Russia due to the economic problems, the threat of destabilization of the situation and manipulation of the political sphere, including in the perspective of local elections from next summer, will persist also in 2015?

Nicu Popescu: Yes, it will. Well, in 2014 Russia's attention was directed toward Ukraine at all levels –at the political level, the level of foreign policy resources, special services and the army. Obviously, this meant that Russia did not deal with other post-Soviet states with the same determination as in the case of Ukraine. And this gave the Republic of Moldova and other states a little more time to pursue their internal and external policies, as they had been determined by the domestic political consensus.

On the other hand, it is unlikely that Russia will invade Moldova openly, but it

can use instead more subtle and cheaper mechanisms and fewer resources than it used in the case of the intervention in Ukraine. This was partly observed in the election campaign: pressure, media interventions, propaganda on the Russian channels, open support to certain political forces, partnerships with political parties in Moldova, not necessarily open ones... So, Russia has applied in Moldova all these influence methods in the last 20 years and will continue to do so.

And in this sense, the true answer to the security and stability in Moldova is not so much the hope that Russia will cease to do this type of foreign policy interventions that Moldova's increased immunity to these "geopolitical viruses". However, this immunity refers to the police reform, the reform of the army, the transparency of the parties' financing, the strength of the banking system ... The main question Moldova should ask itself is to what extent the elites can deal with self-cleaning and self-strengthening?

Lina Grău: The Parliamentary elections that took place at the end of November have been much commented, including in the sense that the vote cast by Moldovans was not so supportive of the winning parties but of the European course. The fact that the parties were not able to form a coalition by the end of the year and that there have been discussions about attracting the Communist Party into the coalition, what do these facts speak about the Moldovan political class and to what extent can things change in the country with the present political class?

Nicu Popescu: The fact that the negotiations over the new coalition have taken a few weeks since the elections is not a new thing for Moldova and neither for the region. The very speed with which this is done is not so much of a concern for me, though, obviously, in particular in the conditions of Moldova, a quicker agreement would have been beneficial.

Ultimately, what matters is to see if the political class understood the

lesson of Ukraine on the one hand, and on the other hand, the lesson of the parliamentary elections in Moldova.

The lesson of Ukraine is that a rotten, dysfunctional and corrupt state is offering opportunities to external and internal forces, and can ultimately question the existence of the state. I personally have not seen a significant change in the domestic policy trajectory of Moldova between March, when the annexation of Crimea took place, and November. I have not seen any intensification of the fight against corruption or new reform efforts given the election campaign, either. Instead of focusing on analyses and improvement of the domestic policies, all the political forces have relied on the rather simplistic geopolitical factor: East or West. This seems to be what they have learned from the Ukrainian experience.

The second lesson which remains to be seen if the new centre-right government will learn - which eventually provides the Communist Party with a degree of participation in power - is that the popularity of the European integration idea in the Republic Moldova cannot be regarded as irreversible at the level of the public opinion and that the government failures, including the failure to combat corruption, can lead to the discrediting of the European integration policies, creating structural problems in future.

Ultimately, I think that all centre-right parties - PD, PLDM and LP - need a very serious internal reset. We have seen that many of the representatives of these parties had lost their energy and desire to continue the reforms.

In 2009, the people wanted a change and the change was embodied then by the centre-right parties. And now again the Moldovan population wants a change because in the recent years the government has not responded to several crucial questions such as corruption, for example. So the Moldovan population has not stopped waiting for change and this time the change seemed to have come

from Dodon and Usatîi, which is very dangerous.

If in the next one to two years the centre-right parties do not offer a real change to the Moldovan citizens, there is a serious risk that “the Eurasian change” will create systemic risks for Moldova in the next election cycles.

■ **Lina Grău:** In the context of the governance change, look at the example of Ukraine, where European and American citizens were invited to serve as ministers. Do you think such a development is possible also in the Republic of Moldova?

■ **Nicu Popescu:** I think this would be technically possible in Moldova and it would be even easier to realize than in Ukraine. Ukraine does not recognize dual citizenship and these new ministers have renounced their previous citizenships – Lithuanian, American and Georgian – in order to take the citizenship of Ukraine. In Moldova such a problem wouldn't exist as Moldova allows dual citizenship.

Frankly speaking, my impression is that the political class in Chisinau is not ready and does not want a re-start and acceleration of reforms which could come including with such possible appointments. And there is another aspect: after all, if you really want serious reforms, this cannot be necessarily done with foreigners. You can do it by means of attracting more

Moldovans from outside, those who have vision and experience in business, large international banks and other areas.

There are thousands and thousands of experienced Moldovans working for the biggest companies in the world.

But my impression is that the current political class doesn't want real changes in the government methods. There were some exceptions though, such as for example, the Minister of Education, Maia Sandu. But, ultimately, I do not see how the Liberal Democratic Party, the Liberal Party and the Democratic Party can provide the government with new faces, potentially more competent and less corrupt people than we have seen in recent years.

And then, it is not necessary to focus only on ministries. For example, why cannot the management method of the four key state institutions such as the Tax and Customs Inspectorate on one hand, and the General Prosecutor's Office and the National Anti-Corruption Center on the other hand, be reformed? Removing the political influence over these four institutions and appointment in the management structures of people with credibility, regardless of whether or not they are citizens of the Republic of Moldova, could seriously change the way Moldova is governed. And we have seen it clearly at the last elections that the current governance methods do

not inspire much confidence among the citizens.

■ **Lina Grău:** One of the important things that will happen in 2015 will be the Riga Summit where Moldova will submit its application for the EU membership. Is this objective feasible and what should be the priorities of the Moldovan government in order to insure the European course?

■ **Nicu Popescu:** The Brussels's decision on this membership application will not be made based on the symbolism or timing of the application but rather on what Moldova has done in order to get closer to the European standards and implement the Association Agreement.

A lot of things happening in Moldova raise big question marks in the European Union: the situation around the concession of the airport and around the Savings Bank, the money laundering through the Moldovan banks in amount of \$ 17 billion and many other things that shouldn't have happened in a functional state. Nobody wants a dysfunctional state in the European Union.

And in this sense, yes, Moldova can submit the membership application, but the European Union will be able to give a real answer only in a few years, after it analyses if Moldova improved its governance, has less corruption, if the European investors confront with fewer problems in relation to the state institutions of the Republic of Moldova.

Viorel Chivriga: The delayed reforms had a negative impact on the economy in 2014.



According to the economic expert, ***Viorel Chivriga, 2014 was a year of lessons given to Moldova. It remains to be seen if Chisinau learned them.***

■ **Viorel Chivriga:** In 2014, the three countries which have signed the Association Agreement with the EU were actually targets of destabilizations actions on behalf of the Russian Federation. The fact that Moldova was affected less shows

that the government took pretty good measures. However, Moldova's sovereignty has been undermined several times. Even during the peak of the events in Ukraine there were some hints that Moldova and Georgia could be the next targets.

Economically we were very cruelly hit by the arbitrary decisions of the Russian institutions Rosselkhoznadzor and Rospotrebnadzor. Whether Moldova has coped with that or not is still a subject of discussion. In fact, these events have revealed our weaknesses that we should work on in future.

What surprised me though is that all the three countries – Moldova, Ukraine, and Georgia - have shown dignity and have not given up. They went on signing the Association Agreement with the EU. The agreement is a document that can serve as basis for the Moldovan government programme for the next four years- a program of the country modernization that we lacked in the last two decades.

On the economic side, the delayed reforms was the biggest problem in 2014, and those who suffered most were the citizens and the entrepreneurs that have developed useful economic activities for the country, but who have lost a lot.

On the other hand, I was positively surprised by the solidarity shown with Moldova, Ukraine and Georgia by other CIS countries. Also, a great support came from the EU countries and the USA. The Moldovan people have appreciated much the economic, political and social support provided by the development partners.

There are things that show that 2014 was a really crucial year for the Republic of Moldova and the big test which took place on November 30th – the Parliamentary elections, showed that the country is on the right path, but a path on which we should go straight as the past elections showed we are on the edge and this has upset many people. So the government should go hand in hand with the people, and not only initiate reforms but also

realize them so that the people see their benefits.

The year 2015 should not be just a turning point and a year of continuation of the reforms started in 2014, but also a year of delivery. We should accomplish all the reforms that we have initiated.

■ **Lina Grâu:** The year 2014 ends on the background of a profound economic crisis caused by the aggression of the Russian Federation towards Ukraine. You said that Moldova has been hit hard by the Russian Federation economic embargo. Beyond that, this pressure has forced to a certain extent the local producers to seek other markets and accordingly there are voices saying that currently, these embargoes save Moldova from a very deep economic crisis like the one in 1998, when the Moldovan economy was more connected with the Russian market than at present.

■ **Viorel Chivriga:** I'm not supporting the view that the sanctions imposed by the Russian Federation brought benefits to Moldova. As a result of the embargo imposed on the Moldovan exports by the Russian Federation, the restriction of the free movement of our citizens and the political and economic blackmail by Moscow, Moldova did not gain anything. On the contrary, the most affected were the ordinary people. Hundreds of thousands of people have suffered as a result of these actions. They were the target of the actions of Russia which has tried to provoke a state of disobedience on behalf of a large part of the population. In fact, these kinds of actions are against any international law.

In order to avoid similar situations in future, the economic situation should be well monitored. What happened in Moldova in the banking system shows that here we have many problems that can generate situations that could get out of control and cause enormous damage. We need to focus on diversification. We have not done this on time and we are not doing it now either. This situation could lead to unpleasant results in the coming years.

First, we must learn to bring more competitiveness in the national economy. We need to use the internal reserves considering also the competitiveness that big and small investors from abroad can bring. The latter can provide key elements for the modernization of the country - transfer of expertise, experience and technology. It's something that we do not currently have in the country. On the other hand, when we talk about diversification, we must learn not only to produce but also to enter other markets. It would be terrible to look only to the Western or Eastern market. There are also other markets and we must learn to conquer them too.

■ **Lina Grâu:** You mentioned about the elections from November 30th. There has been nearly a month since the three parties said they would form a pro-European coalition and no consensus has been reached so far. Why is this happening and what could be the repercussions on the society and on the European course?

■ **Viorel Chivriga:** I think our politicians' responsibility has always been a huge problem. It is exactly the case when you don't need months to discuss something that is indisputable: the creation of a pro-European coalition. Yes, this coalition should be maintained but should look completely different. It should be a coalition of accountable parties.

The electoral programmes of these parties contain a lot of activities from the Association Agreement and the former government program that have not been realized. It is they that should form the basis of the future government programme. This government that we have been waiting to be formed should be of the highest quality in terms of the government programme and professionalism of the people promoted in the executive structure.

We need an optimized number of ministries, agencies, but we also need a lot of responsibility from those in the government in order to achieve the objectives. And the government should be

more careful with the achievements –it usually promises rather ambitious things that fail to be realised. Instead, it should come up with concrete results that can be proven to the voters.

■ **Lina Grău:** From your point of view, what are the priorities for 2015? Do you think that, as the Moldovan authorities said earlier, we could submit an application to join the EU at the Eastern Partnership Summit in Riga?

■ **Viorel Chivriga:** Regarding the membership, very much depends on the performance of the Republic of Moldova. The Association Agreement has to be implemented and the entire society has to be involved in this process –the state institutions, the business community, the local government, academia, non-governmental sector, and every citizen. On the other hand, the relations with the donors and partners of Moldova are very good. But we must show to our citizens that we are able to complete the reforms.

One of the most important reforms is the justice reform. It is a much awaited reform by the entire Moldovan society but which is being undermined and hindered by those working in the sector- by the judges who remain the same as 10 years ago.

At the same time, we need ambitious reforms in the economy. We have an economy that really needs to be modernized the more quickly the better. The current model is completely outdated and harmful. What we should urgently do is to improve the business climate. It

is something that we have been talking about for decades, but which remains heavily criticized and which is in urgent need for change. It requires solving old problems. For example, the political and economic marriage is destroying the competition in the country, scaring investors, ruining companies, and undermining the development of the economic sectors.

Another thing we should think about is the quality of human resources. We should teach people think and work differently and bring experience and expertise from outside. This area has very direct links with the academic sector in the country which also needs to be reformed.

What is happening in the education sector, I think, is an example of maturity. Yes, it is hard, unpleasant, and sometimes hurts, but so are the reforms.

If we talk about health, the things are more complicated and are rather an example of how not to do reforms. What happens in the villages of Moldova shows that in many cases people are not only deprived of the opportunity to achieve something economically, but lack basic services that people should have access to in each community.

■ **Lina Grău:** In conclusion, we can say that the years 2014-2015 is a period during which Moldova has good chances to break away from the Eastern area and advance more towards the EU?

■ **Viorel Chivriga:** The year 2014 has

already shown that there is no other way. Well, there have been many discussions about the Customs Union, but that was a trick and also a false path. What is happening now in the Russian Federation shows that this project is not sustainable and is just a trap for the countries in order to divert them from their European path.

The year 2015 should be a year of reforms. It is a year in which we must demonstrate that we can make reforms, change the country and act differently. But the most important is that the year 2015 is the first year after the elections and is suitable for reforms. In the coming years - 2016-2017 – this favourable field for the reforms will diminish. So, the most ambitious reforms should be made in 2015 and for that we need a strong government with people who can assume and achieve the reforms.

Lina Grău: What if the political class does not deliver on the above-mentioned reforms?

Viorel Chivriga: What happened during the election campaign and right after the elections should be a very clear signal to the entire political class: the electorate, the population will penalize those who make promises but don't keep their word, and those that come up with sterile electoral programmes. On November 30th we were on the verge of forgetting about our European course, the pro-European Moldovan population and the partners from abroad who have supported us over the past years. So, I think this is a very clear signal: folks, get down to work!

Mihai Cernencu: Even if Russia reopens its market for Moldova, we must understand that the crises might repeat

The year 2014 will go down in history also because of the tensed regional situation: the Russian military aggression against Ukraine and the annexation of Crimea. The world, as

we have known it in the last 50 years, has changed dramatically this year. International experts commented after Russia infringed on the principles of the international law and annexed

Crimea by military force. The university professor, Mihai Cernencu, has a different opinion.



■ **Mihai Cernescu:** It's the Russian Federation which sustains the world has changed and that we must accept new realities. I don't think so. As long as the North Atlantic Treaty Organization (NATO) and the European Union exist, as well as the current structure of international relations, we can say that after 2014 the world will never be the same.

There have appeared a series of ideas in the Russian Federation which, in my opinion, are bizarre. For example, the representatives of the Russian diplomacy, as well as the head of the Kremlin, say that "NATO is getting close to the Russian borders." This is a real aberration. NATO, through the USA has direct borders with the Russian Federation in the Far East, while Turkey has been a NATO member since 1947. I do not see how the entry of Bulgaria was able to get NATO closer to the Russian Federation given that Turkey has direct borders with Russia. Moreover, Romania does not have common borders with the Russian Federation either. It is true that the Baltic countries have joined NATO and they have done it simply because they are afraid of another invasion of Russia, the successor of the Soviet Union, because Moscow has always tried to destabilize these countries.

The tsarist foreign policy and the foreign policy of the USSR do not differ at all from the foreign policy of the Russian Federation. In 1939 the Soviet Union

created the Karelian-Finnish Soviet Socialist Republic in order to start a war in Finland. Fortunately, 11 thousand international volunteers came and fought back the Soviet Union. The Soviet press was writing then that the USSR was not fighting against Finland but was supporting the Karelian-Finnish Republic to fight against the bourgeois regime there. That happened in the conditions when the Soviet Union was simply swept from the League of Nations for the aggression against Finland. And today, we see Luhansk, Donetsk, the Transnistrian republic ... I assure you that there is no difference whatsoever between the foreign policy of the USSR and that of the Russian Federation.

Economically, half a year was enough for Russia to feel fully the embargo imposed by the EU and the USA in connection with Ukraine. In the beginning, Moscow said that European sanctions did not affect it. And we saw it that it was true. Iran, for example, has been under embargo for 40 years and its economy is still operating according to certain economic laws. While in Russia no economic law is being respected today.

Altogether, the external sanctions and the domestic situation, but also the dramatic fall in the oil prices on the international market has led to the current situation in Russia. As a result, the Russian economy has been seriously hit.

These things are so bizarre and strange, that at some point you think it's a science fiction film. At least it does not look like reality. And it seems that the Russian Federation is not connected to the reality. I believe that the true waking will happen after the New Year. The sharp depreciation of the ruble shows distrust in the government, Putin and the Russian financial system. The process of money withdrawal from banks will start. It will be then that the disaster will begin and the "krîmnaş" will go down in history. Things will look really bad in future and I believe that what Russia did in Ukraine could expand to the Russian Federation.

■ **Lina Grău:** By the way, speaking about the complicated financial situation in the Russian Federation, in Chisinau there are two opinions. Some say that the situation in Russia does not affect us as we are not so connected with the Russian market as we were some years ago. Others say it will anyway affect the situation in Moldova having a big impact on the national currency, trade and the situation of migrants. How do you see things?

■ **Mihai Cernescu:** I thank all the saints that Moldova is not that connected economically to the Russian Federation due to the embargoes that Moscow has imposed on us. And thank God!

We will be affected to the extent of our deposits in the banks in the Russian Federation. The Moldovan banks which have deposits in those banks may not be able to recover them.

Secondly, can you imagine that the Moldovan migrants working in the Russian Federation, which account for about 25 to 27 percent of all migrants could return to Moldova as they will not be paid for their work? I don't think that their salaries will be increased three times. For example, a worker who received 20 thousand rubles when one dollar was 30 rubles had a different situation than today when 1 dollar became 60-70 rubles. Our migrants will

not be able to make savings to send them home and even worse, they will hardly be able to make both ends meet.

The third aspect, I know what happened in 1997-1998 when many exporters of sugar, fruit, and vegetables, have lost practically everything. They had signed the contracts in rubles when the ruble flew from 6 to 30 rubles for one US dollar. When they received their money in rubles they had really difficult times. Now, it is important to learn the lesson - no matter what happens next and no matter the trade possibilities, we should understand once and for all that the crises will repeat in future. Looking back to what happened in 1988-1989 and then in 1998, and now in 2014 to 2015, I'm not sure this will not happen again. What other experiences could convince our citizens and politicians that Russia is not a safe place? We have to do a lot in this sense and the EU is helping us to put the Association Agreement into practice. The Association Agreement through the financial assistance provided by the EU, is trying to teach us how to trade and how to produce qualitative products in order to be competitive on the EU markets.

■ **Lina Grâu:** Why is Russia afraid of signing the Association Agreement by Ukraine and Moldova?

■ **Mihai Cernencu:** Russia is losing its markets. Where will it be selling its products if not in Ukraine where there are 45 million consumers?

Secondly, Putin's greatest fear is that together with the beginning of democracy and prosperity in Ukraine, the example given by Ukraine as a modernized and democratic state could be thousands of times more dangerous than any weapon at the border with the Russian Federation. The example of Ukraine could be bewildering to the people in the Russian

Federation. That's actually why Russia is trying so fiercely to destabilize Ukraine. Having a prosperous and democratic Ukraine at its border, the more so that it will not be able to penetrate its market, means the beginning of the end of the Russian Federation.

■ **Lina Grâu:** One of the important events of the year was the parliamentary elections from November 30th. Much has been said about the fact that this vote was decisive for Moldova's European course. How should the Moldovan political class behave so that the European integration process continues and its benefits are felt by the citizens?

■ **Mihai Cernencu:** If people enter politics in order to have benefits, we have what we have now. If, however, they enter politics following the state interests it is different. The Czech Republic, Estonia, and Poland for example, did have such responsible politicians. This is really important as not everybody can make politics to the benefit of the society.

For example, in our country people enter politics for profit. And in this case, the politics is not to the benefit of the society and citizens.

■ **Lina Grâu:** If this rather sad situation described by you perpetuates the European prospects of Moldova will remain unclear. What would have to be changed in the way politics is done? Are there factors of change in Moldova?

■ **Mihai Cernencu:** As long as what I said above about the politics which brings benefits to certain people remains valid in Moldova, we will not be able to move forward. Things will start changing when our well-trained young people who are abroad now come back and take over the governance, including ministries. It is only

when the critical mass of these people come home, that the things will start changing.

■ **Lina Grâu:** Do you see the possibility for Moldova to get closer to the EU in 2015? Is a functional government early next year possible?

■ **Mihai Cernencu:** I would like that we have a government by the end of this year but I am not sure this will happen. I would prefer a broader alliance than one of the three parties as this way the social base for the support of the European integration will increase. The government programme must match the Association Agreement. The authorities have to adopt next year over 300 laws which should lead to the harmonization of the Moldovan legislation with that of the EU, which is a very long and complicated process.

I wish that at the Eastern Partnership Summit in Riga we achieved what our authorities promised in 2013 - to submit an application for EU membership. There are good relations at the personal level between Leanca and Jean-Claude Juncker, the president of the European Commission. The meetings and the visit that Donald Tusk, the chairman of the European Council, will pay to Moldova are also very important in this sense.

But on this way, two inherent conditions – fighting against corruption and the reforms- are extremely important. The EU will apply the "more for more" principle -more reforms - more money, fewer reforms - less money. This interdependence between what we do and the EU funding could become fundamental for the politicians, the government, and the Republic of Moldova as a state.

The only solution for the modernization and prosperity of Moldova is the European Union.