

Why a Strategic Partnership between Moldova and Russia Is Not a Realistic Option?

Victor Chirila
Executive Director
Foreign Policy Association (APE)
Republic of Moldova

Abstract

The European integration is Moldova's national domestic and foreign policy priority, supported by 54,7% of Moldovans¹. Following this objective, it joined the European Neighbourhood Policy² and its Eastern Partnership³ initiative, started negotiations on the Association Agreement and the Deep and Comprehensive Free Trade Area with the European Union (EU), initiated the Visa Liberalization Dialogue with the EU and became full-fledged member of the European Energy Community that includes all the EU member states and the Western Balkan countries⁴.

Concurrently, Moldova wants to develop a strategic partnership with the Russian Federation. Despite the fact that this objective is supported by 60% of its citizens⁵, Moldovan authorities do not have a clear-cut vision on the form and substance of this strategic partnership. From the point of view of Russia a potential strategic partnership would have to contribute to Eurasian integration in the area of the demised Soviet Union. Yet, this vision collides with Moldova's European integration choice. Therefore, the key question for Moldova is: Can it build a strategic partnership with Russia without jeopardizing its European integration policy?

A true strategic partnership has to be comprehensive and cover a wide spectrum of policy areas⁶. It should go beyond economic cooperation and try to address effectively through shared efforts coordinated approaches common political and security issues. Moreover, the strategic partnerships have to be part of broader regional strategic context, which for Moldova means either European integration or Eurasian integration frameworks.

Moldova has already chosen the European integration framework, yet Russia still has at its disposal serious economic, political, softer power and security leverages to exercise influence or even pressure over Moldova's domestic and foreign decision making processes, thus making the European integration objective much harder to achieve. In order to prevent this to happen, Moldova needs to develop a

¹ Institute for Public Policies (2012): Barometer of Public Opinion – November 2012.

<http://www.ipp.md/libview.php?l=en&id=624&idc=156>

² European Commission (2004): "European Neighbourhood Policy", Strategy Paper. Brussels.

http://ec.europa.eu/world/enp/pdf/strategy/strategy_paper_en.pdf

³ Council of the European Union (2009): Joint Declaration of the Prague Eastern Partnership. Prague.

http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/er/107589.pdf

⁴ Delegation of the EU to Moldova (2013): EU - Moldova relations: basic facts.

http://eeas.europa.eu/delegations/moldova/eu_moldova/index_en.htm

⁵ Institute for Public Policies (2011): Barometer of Public Opinion – November 2011.

<http://www.ipp.md/libview.php?l=en&id=580&idc=156>

⁶ Renard, Thomas (2012): The EU Strategic Partnerships Review: The Guiding Principles. http://www.egmontinstitute.be/papers/12/sec-gov/ESPO_PB_2_TenPrinciples_FINAL.pdf

Grevi, Giovanni (2012): Why EU strategic partnerships matter. <http://www.fride.org/publication/1031/why-eu-strategic-partnerships-matter>

realistic, credible, predictable and sustainable partnership with the Russian Federation, which would help it to achieve its key strategic objectives: democratization, economic modernization and the European integration. The question is how to achieve this? So far, Moldovan politicians failed to find the right way forward.

A credible solution would be to develop specific/utilitarian cooperation partnerships with Russia on areas of common interest: economy, energy, trade, culture, regional security, etc.. Such a policy would offer to Russia a constructive role in the current paradigm of Moldova's development. The alternative to this is the inevitable confrontation of the two integrationist projects European Union and Eurasian Union on the territory of our country, with unforeseeable political and economic consequences for Moldova.

Introduction: Current state of Moldovan – Russian relations

Russian Federation is one of the most important and influential economic and political partner of the Republic of Moldova. Despite this, in the past 20 years, the Moldovan - Russian relations have had a sinusoidal evolution, marked by uncertainty and inconsistency. Russia and Moldova have partially or totally different views on a number of domestic and foreign policy subjects as: the condemnation of separatism, the status of the Transnistrian region, the withdrawal of Russian armaments and troops deployed on the territory of Moldova, the transformation of Russian peacekeeping mission⁷, the status of the Russian language, the interpretation of historical events and processes of the Soviet period, the prospects of the Commonwealth of Independent States (CIS)⁸ integration, partnership with the North Atlantic Alliance (NATO), cooperation within Organization for democracy and economic development (GUAM)⁹, Moldova's European integration vector, etc.. The lack of a common denominator on these and other topics affects the mutual trust and has a negative impact on building a realistic and sustainable partnership with the Russian Federation.

The rejection of ex-President of the Republic of Moldova, Vladimir Voronin, to sign the Kozak memorandum in the autumn of 2003¹⁰, decreased the trust between Russia and Moldova at the lowest

⁷ Socor, Vladimir (2012): Twenty Years of Russian "Peacekeeping" in Moldova.

http://www.jamestown.org/programs/edm/single/?tx_ttnews%5Btt_news%5D=39687&cHash=81648f1a75be687fe165de82d79b0638.

After the demise of the Soviet Union, tensions between Moldova and its separatist Transnistrian region escalated into a military conflict that started in March 1992 and was concluded by a ceasefire agreement in July 1992. In accordance with that agreement, a three-party (Russia, Moldova and Transnistrian region) peacekeeping mission has been deployed in the demilitarized security zone set up by the same agreement. Currently, Russia keeps 500 peacekeeping troops in Transnistrian region. Moldova has proposed to transform this peacekeeping mission into an international civilian observer mission that would include as well the EU member states. The proposal has been supported by Ukraine, the EU and the United States of America, yet has been rejected by Russia.

⁸ The CIS is a loose association of states possessing coordinating powers in the realm of trade, finance, lawmaking, and security. It was founded on 8 December 1991 by the Republic of Belarus, the Russian Federation, and Ukraine, when the leaders of the three countries met in the Belovezhskaya Pushcha Natural Reserve, about 50 km (30 miles) north of Brest in Belarus and signed an Agreement on the dissolution of the Soviet Union and the creation of CIS as a successor entity to the USSR. At present the CIS unites: Azerbaijan, Armenia, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Uzbekistan and Ukraine, <http://www.cis.minsk.by/page.php?id=174>

⁹ GUAM is composed of Georgia, Ukraine, Azerbaijan and Moldova. The main purposes of GUAM are: promoting democratic values, ensuring rule of law and respect of human rights; ensuring sustainable development; strengthening international and regional security and stability; deepening European integration for the establishment of common security space, and expansion of cooperation in economic and humanitarian spheres; development of social and economic, transport, energy, scientific and technical, and humanitarian potential of the Parties; intensification of political interaction and practical cooperation in the fields of mutual interest, <http://guam-organization.org/en/node/450>

¹⁰ The Kozak Memorandum, officially Russian Draft Memorandum on the Basic Principles of the State Structure of a United State in Moldova, was a 2003 proposal aimed at a final settlement of relations between Republic of Moldova and its Transnistrian separatist region. The plan, presented in mid-November 2003 by Russia, was a detailed proposal for a united asymmetric federal Moldavian state.

level. As a result, the relations between Moldova and the Russian Federation entered a glacial period of five years and its effects are still felt. The peak of Russia's dissatisfaction was reached in 2005-2006 when agricultural products and Moldovan wines were boycotted, and political negotiations in the "5+2" format¹¹ were interrupted until 2011. In 2009, the Alliance for European integration (AIE)¹² won the parliamentary elections in Moldova, thus opening a new window of opportunity for re-launching the Moldovan - Russian relations on a pragmatic platform.

The AIE Government wants to develop strategic partnerships with key regional and international partners of Moldova, such as: EU, USA, Romania, Ukraine and the Russian Federation. Since 2009, the new Moldovan authorities have managed to set up a regular dialogue with the Russian authorities in the framework of the Moldovan - Russian Intergovernmental Commission for economic cooperation, as well as at the level of Governments and Parliaments. Nevertheless, Moldova and Russia are far from building a strategic partnership. They do not have a well defined common vision on that issue and neither Moldova nor Russia has made great efforts in this regard.

Analyzing the regional priorities of the Russian Federation, stated in its Foreign Policy Concept and the National Security Strategy, it is obvious that *from the point of view of Russia* a potential Moldovan - Russian strategic partnership should contribute to:

1. Developing of bilateral and multilateral cooperation within the CIS;
2. Exploiting the potential of CIS as regional organization, forum of multilateral political dialogue and mechanism of multidimensional cooperation;
3. Promoting modern forms of economic integration in the CIS area;
4. Increasing interaction between the CIS Member States in the humanitarian sphere, protecting and developing cultural heritage;
5. Deepening cooperation with CIS countries in order to ensure collective security;
6. Assertion of the Collective Security Treaty Organization as a key instrument for the maintenance of security and ensuring stability in the CIS area;
7. Supporting Russian compatriots in CIS countries;
8. Settling conflicts in the CIS area, while respecting Russia's role of mediator and peacekeeper.

On the other hand, *from the point of view of the current Moldovan Government*¹³, Moldova has to fulfill the following key domestic and foreign policy objectives:

1. Negotiate the Association Agreement with the EU;
2. Set up a common economic space with the EU by establishing a Deep and Comprehensive Free Trade Area;
3. Establish a visa free regime with the EU;
4. Create a common energy market with the EU;
5. Harmonize Moldova's legal framework with the legal framework of the EU;

The text was promoted by a Russian politician Dmitry Kozak, close ally of President Vladimir Putin and one of the key figures in his presidential team. According to the memorandum Russian troops (no more than 2000 strong, without heavy armaments) would remain in Transnistrian region for the transitional period but not later than 2020, www.stefanwolff.com/files/Kozak-Memorandum.pdf

¹¹ The "5+2" format is a negotiation platform set up in 2006 with the aim to facilitate the political negotiations between Moldova and its Transnistrian separatist region. This format includes Moldova, Transnistrian region, Russia, Ukraine and Organization for Security and Cooperation in Europe (OSCE) as mediators, United States of America and European Union as observers, Moldova and Transnistrian separatist region as parties of the conflict, www.ape.md/libview.php?l=en&id=152&id=1792

¹² Alliance for European Integration (AIE) is the center-right ruling coalition in Moldova since the July 2009 parliamentary election and is composed of three parties: Democratic Party, Liberal Democratic Party and Liberal Party.

¹³ Government of Moldova (2011): Activity Program Government of the Republic of Moldova European Integration: Freedom, Democracy, Welfare 2011-2014. <http://www.gov.md/doc.php?l=en&id=445&id=3729>

6. Withdraw Russian troops and ammunitions from Moldova's Transnistrian region;
7. Transform Russian peacekeeping mission into an international civil observer mission with participation of the EU member states;
8. Increase the role of the EU in the Transnistrian settlement process by assuming full mediator status as Russia.

After comparing those two sets of policy objectives it becomes obvious that we are dealing with two different development paradigms and strategic priorities. In the face of this reality, the logical question is: Can Moldova build a strategic partnership with Russia in the current context? In order to be able to answer this question it is necessary to analyze in an unbiased way its premises and obstacles.

Premises of a potential Moldovan – Russian strategic partnership

First of all, the idea of developing a strategic partnership with the Russian Federation is not new. It has emerged once with the affirmation of the Republic of Moldova as an independent state¹⁴. Although it was promoted, in one way or another, by all Moldovan Governments, it has never been conceptualized and remained at the level of political discourse. In the early 2000s, the Communist Party of Moldova (PCRM) took over the governance promising Moldovans the country's accession to the Russia - Belarus Union. This promise, which was very soon forgotten, was the only and the most advanced attempt of conceptualizing a strategic relationship with Russia.

In the fall of 2009, the idea was taken up by the first Government of the Alliance for European Integration (AIE) and included in its activity programme as a foreign policy objective. It can be also found in the activity programme of the second AIE Government for the period 2011-2014, entitled "European Integration: Freedom, Democracy and Welfare"¹⁵. According to the latter, "the Government of the Republic of Moldova will continue to strengthen good - neighborly relations and strategic partnership with the European Union, Romania, Ukraine, the United States and the Russian Federation". However, the content of a possible strategic partnership with the Russian Federation is still vaguely formulated and its strategic objectives and principles are not defined. Also, it is not clear how such a partnership would match Moldova's European integration policy, proclaimed as the primary strategic objective of the AIE Government. However, despite these shortcomings, there are a number of premises which may facilitate the development of a strategic partnership with the Russian Federation, such as:

1. Moldovan-Russian relations are based on a comprehensive legal framework. Legal framework of the Moldovan-Russian bilateral relations is comprised of 162 documents aimed at bilateral cooperation in all fields of common interest. The defining legal document is the Treaty of friendship and cooperation signed in Moscow on 19 November 2001. In November 2011, that Treaty was extended for another 10 years;
2. Russia is a strategic economic partner. More than 28% of Moldovan exports got to Russia. At the same time, the share of imports from the Russian Federation represents more than 15%. In Moldova are registered 344 companies with Russian capital. On 1 January 2011, the total amount of investments in

¹⁴ King, Charles (1997): Post-Soviet Moldova: A Borderland in Transition. Foundation for Romanian Culture and Studies. Republic of Moldova declared itself an independent state with the same boundaries as the Moldavian Soviet Socialist Republic in 1991 as part of the dissolution of the Soviet Union.

¹⁵ Government of Moldova (2011): Activity Program Government of the Republic of Moldova European Integration: Freedom, Democracy, Welfare 2011-2014. <http://www.gov.md/doc.php?l=en&idc=445&id=3729>

Moldovan economy amounted to 181.8 million dollars, and about 7.7% of direct foreign investments are from the Russian Federation. According to the International Organization for Migration (IOM)¹⁶ more than 600,000 Moldovans are living and working abroad and at least 300 thousands of them work either temporarily or permanently in the Russian Federation. In 2011, Moldovans migrants sent home over 1.4 billion USD, out of which 60% came from Russia and remaining 40% from EU members states¹⁷.

3. Energy dependence on Russia. Moldova is fully dependent on imports of natural gas from Russia. Gasprom has 50% of the shares of the Moldovagas Company, which holds the exclusive monopoly on imports of natural gas from the Russian Federation. The rest of the shares are divided between Moldova with 35.33% and its Transnistrian region with 13.44%. Furthermore, the breakaway region of Transnistria owes almost 3 billion dollars, while its shares at Moldovagas worth about 15 million USD. However, the Russian side considers that the debt for natural gas of the separatist region of Transnistria is officially Moldova's debt, even if it cannot exercise its constitutional control over the region on the left bank of the Nistru River. The Russian Federation strengthened its economic presence in the Transnistrian region, the Russian investors taking control of the most important industrial enterprises, the Metallurgical Factory from Ribnita by the Russian Corporation Metalloinvest, Hydroelectric Power Plant from Cuciurgan by Inter RAO EES, Cement factory in Ribnita by Inter RAO EES, Engineering and construction Plant (Mashinostroitelny Zavod) in Bender by Russian Corporation Salut, Pumps Factory in Ribnita and Moldavcabeli Plant in Bender;
4. Russia is a key partner in ensuring Moldova's internal and external security and stability. Russia plays a decisive role in settling the Transnistrian issue, which represents the greatest threat to the sovereignty and territorial integrity of our country. In addition to its growing economic influence, Russia exercises a significant political influence over the Transnistrian administration, representatives of which are citizens of the Russian Federation. At the same time, in the Transnistrian region is located a military contingent of about 1,500 Russian soldiers, of which about 1,000 are guarding the twenty thousand tons of Russian weapons remained in the region from the former USSR 14th Army and approximately 500 are part of the peacekeeping mission in the conflict Security Zone. Moreover, Russia has the status of mediator in the 5 + 2 format of negotiations regarding the settlement of the Transnistrian conflict and is considered to be the guarantor of future political arrangements.
5. The status of permanent neutrality of Moldova. AIE Government considers that maintaining Moldova's status of neutrality in parallel with its Europeanization will create favorable conditions for the settlement of the Transnistrian conflict and country's reintegration. In principle, AIE's position coincides with that of the Russian Federation, which opposes the North-Atlantic Alliance's expansion¹⁸

¹⁶ IOM Moldova, Migration Facts & Figures, <http://www.iom.md/index.php/en/programs/migration-man>

¹⁷ Economist – Economic Magazine: Remittances topped 1,4 billion USD in 2011.
http://www.eco.md/index.php?option=com_content&view=article&id=4150:14-mild-volumul-remitenelor-in-2011&catid=128:actualitate&Itemid=512

¹⁸ Institute for Public Policies (2012): Barometer of Public Opinion – November 2012.
<http://www.ipp.md/libview.php?l=en&id=624&idc=156>

According to the Barometer of Public Opinion published in November 2012 by the Institute of Public Opinion 54,3% of Moldovans consider that the Neutrality Status is the best option to ensure the security of the Republic of Moldova and only 12,4% that the right solution is NATO membership.

¹⁹ Chifu, Iulian, Nantoi, Oazu and Sushko, Oleksandr (2010): The Perception of Russia in Romania, Republic of Moldova and Ukraine. Bucharest. http://www.cpc-ew.ro/pdfs/perceptia_rusiei.pdf

in CIS area and considers that the neutrality status of the R. Moldova is an essential condition for the ultimate settlement of the Transnistrian conflict;

6. *The influence of Russia's "soft power" in Moldova*¹⁹. The Russian Federation has at its disposal a substantial set of tools design to influence the Republic of Moldova. The Moldovan informational space is largely dominated by Russian electronic and printed media. The Russian television is the first source of information of more than 60% of the citizens of the Republic of Moldova. About 98% of Moldovans are Orthodox Christians and most of them are under the ecclesiastic jurisdiction of the Russian Orthodox Church in Moscow. Over 20% of Moldova's citizens are Russian-speaking, Ukrainians (8.4%), Russians (5.8%), Gagauz (4.4%) and Bulgarians (1.9%). According to the public Opinion Barometer (BOP) in November 2011, 60,5% of citizens want Russia to be the main strategic partner of Moldova²⁰;
7. *Moldova is a member of the Commonwealth of Independent States (CIS)* and has observer status within the framework of the Eurasian Economic Community (EEC). For Russia the CIS is the area of "its most privileged interests". After the presidential elections from 4th of March 2012, Vladimir Putin, the newly elected President of Russia, stated that the countries of the CIS will be of the highest priority of Russian foreign policy. However, for Moldova, CIS is first and foremost a vital market for its agricultural products. In 2011, the volume of Moldovan exports to CIS represented 41% and imports 33%. In view of the importance of these trade flows, in 2011 Moldova has signed a new CIS Free Trade Agreement. At the same time, CIS is perceived by Moldova as a beneficial forum for high-level political dialogue between the ex-Soviet States and an additional platform for the development of bilateral cooperation with key countries, especially with the Russian Federation. Since May 2002, Moldova participates as an observer at the meetings of the Eurasian Economic Community (EEC). The primary objectives of the EEC are creating the Customs Union and Unified Economic Space within the CIS.

The aforementioned premises show how dependent Moldova's economic, political and societal stability is on Russia "good will". At the same time, they represent a solid basis for developing a strategic partnership with the Russian Federation. Despite all this background, both countries have failed to agree on common set of objectives that would underpin a potential strategic alliance. The causes of this failure cannot be understood completely without analyzing as well the objective realities that prevent Moldova to accept a Moldovan – Russian strategic partnership on Russia's vision and terms.

Obstacles of a potential Moldovan – Russian strategic partnership

In line with the listed premises, there are a number of internal and external impediments which make the strategic partnership between Moldova and the Russian Federation very difficult, if not impossible, to build in the current context. In particular, Moldovan politicians have to take into account the following structural barriers, such as:

1. *Lack of conceptualized strategic vision on the strategic partnership with Russia*. Currently, Republic of Moldova does not have a clear, well structured understanding on a possible Moldovan - Russian strategic partnership. Although included in the Government's programme activity as a major foreign

¹⁹ Chifu, Iulian, Nantoi, Oazu and Sushko, Oleksandr (2010): The Perception of Russia in Romania, Republic of Moldova and Ukraine. Bucharest. http://www.cpc-ew.ro/pdfs/perceptia_rusiei.pdf

²⁰ Institute for Public Policies (2011): Barometer of Public Opinion – November 2011. <http://www.ipp.md/libview.php?l=en&id=580&idc=156>

policy objective, it is rather a figure of speech, traditional reverence of Moldovan political discourse towards Russia. No one has tried to give substance to this idea. There is no foreign policy or national security document, which would conceptualize or, at least, would give a coherent and credible content to the idea of strategic partnership with Russia. Moldovan Government does not have the answers to a series of questions which would help it to understand better the need for this document, the place and the contribution of this partnership to the current paradigm of internal and external development of the Republic of Moldova. In particular, it is unclear which should be the strategic objectives, principles of interaction and implementation mechanisms?;

2. Moldova's European integration policy. European integration is the main goal of Moldova's domestic and foreign policy, stated in the Government's activity programme and the National Security Strategy. According to Moldova, European integration represents the most effective way to achieve political, economic and social modernization of the country. By following this path, Moldova intends to become eligible for accession to the EU. Meanwhile, due to the Eastern Partnership, our country is on the path of political association and economic integration with the EU. Political association will bring a higher level of consultations and political coordination on matters of domestic, regional and international policy. It will also initiate a much more intense and advanced cooperation and common policies in the field of security and defense. Economic integration will mean gradual inclusion of Moldova in the EU common market. The set up of the Deep and Comprehensive Free Trade Area will be the first step in this direction. This will dictate the progressive harmonization of our country's legislation to the EU's *Acquis Communautaire*. The political association and economic integration with the EU will alienate even more Moldova from the models of political and economic integration promoted by the Russian Federation in the CIS area: Customs Union Russia – Belarus - Kazakhstan, Eurasian Economic Community or the future Eurasia Union. However, this is in contradiction with Russia's "privileged interests" in the CIS area, set by the outgoing Russian President Dmitry Medvedev in august 2008, after the Russian - Georgian war. Moreover, want it or not, it is a challenge to Russia's status of regional power;
3. Integration of Moldova in the European Energy Community. The European Energy Community comprises the EU Member States and those of South-East Europe, the aim being to create a common market of electricity and gas between the EU and other countries. Its activity started on 1 July 2006. Moldova became a full member in the framework of the Energy Community on May 2010. Accession to the European Energy Community implies gradual integration of Moldovan power lines and natural gas pipelines with those of the EU. In addition, the regulations of the European Commission and EU standards in the field of energy become mandatory for producers, exporters, importers and distributors of electricity and natural gas from Moldova. This does not coincide with the interests of Russia and, in particular, with those of Gazprom in Moldova. The current negotiations on the new agreement for the supply of natural gas brought by the Moldovan Government with Gazprom are clear evidence in this regard. Negotiations were practically suspended owing to the absence of compromise over the new price and the method of its calculation. However, Gazprom would be willing to reduce the price of natural gas delivered to R. Moldova, requesting instead for the refusal to implement the third Energy Package adopted by the European Commission and assumed by the Republic of Moldova in October 2011²¹. The third Energy Package consists of a set of regulations and directives of the European

²¹ European Commission (2007): Energising Europe: A real market with secure supply. http://europa.eu/rapid/press-release_IP-07-1361_en.htm?locale=en. The third Energy Package was adopted by the European Commission (EC) on 19 September 2007. Its main purpose is to create an EU competitive and integrated energy market that allows European consumers to choose between different suppliers and all suppliers, irrespective of their size, to access the market. One of its key principles is the separation of production and supply from transmission networks.

Commission, which involve the creation of a single market for natural gas and electricity in the EU on the basis of the Division of supply and distribution companies. The new rules of the European Commission dissatisfy Russian authorities and, in particular Gasprom, which believes that its patrimonial rights and commercial interests are deprived. In fact, Russia is unsatisfied that the third Energy Package jeopardizes the status of monopolist of Gasprom in the field of production, transit and delivery of natural gas in Europe, including in Moldova. Moldovan authorities assumed the responsibility to implement the third Energy Package by 2020, the main aim being to ensure the country's energy security through diversification of energy sources and providing a lower cost to end-users;

4. Strategic partnership with Romania for European integration. On 27 April 2010, Moldova and Romania have initiated a strategic partnership for European integration of Moldova by signing a joint declaration at the level of heads of state. On March 3, 2012, at the first joint meeting of the Governments of Moldova and Romania in Iasi, was signed the action plan for the implementation of the Joint Declaration regarding the establishment of strategic partnership between both countries²². The plan includes actions and projects in areas such as European integration, political and institutional cooperation, economic cooperation, cultural and educational cooperation, cooperation in the field of youth and sports. Thus, the strategic partnership between Moldova and Romania has a concrete content, which falls within the paradigm of modernization and Europeanization of Moldova²³. By signing this document, the parties undertook to deepen bilateral cooperation, in view of the accession of Moldova to the EU. This commitment requires, in particular, strengthening the dialogue on foreign policy, providing support during the negotiation and implementation of the Association Agreement, including the Deep and Comprehensive Free Trade Agreement between R. Moldova and EU, assistance to reinforce the administrative and institutional capacities of Moldova, intensification of cooperation in the field of Justice and Home Affairs, deepening of the dialogue on issues relating to European integration through the creation of a Joint Committee focused on this dimension, promoting bilateral contacts at all levels of Central and local administration, development of cooperation in order to ensure energy security, in particular through the interconnection of national systems for the transport of natural gas and electricity. In addition, both countries will support their cultural integration process in order to strengthen cultural and spiritual space of Moldova and Romania. The implementation of the Action Plan will contribute to the strengthening of Moldova's economic and energy security, by connecting them to the political, economic, infrastructural, social and cultural space of the EU, including Romania. Of course, this will mean, neutralizing the political impact of the economic and energy influence that the Russian Federation currently has in Moldova. At the same time, the objectives of the strategic partnership between Moldova and Romania are in direct collision with Russia's efforts to develop its regional and sub-regional potential of integration and coordination on the territory of CIS Member States;
5. The Transnistrian conflict and the illegal deployment of Russian troops on the territory of Moldova. The lack of tangible progress in the resolution of the Transnistrian conflict as well as the stop of the withdrawal of Russian troops and munitions from the territory of Moldova feeds the suspicions of the political class and of a good part of the Moldovan society regarding the true intentions of the Russian Federation in relation to our country. As of 2006, 136 thousand of retirees on the left bank of the Nistru

²² Government of Moldova (2012): The Moldovan and Romanian governments held a joint plenary session. <http://www.gov.md/libview.php?l=en&idc=436&id=4804>

²³ Romanian Center for European Policies (2012): Annual Report on Romania – Moldova Relations. http://crpe.ro/v2/en/wp-content/uploads/0201/10/crpe_policy_memo_nr_25_en_2.pdf

River have an increase of 15 dollars USD to basic pension, supported by the Russian Federation. In the period 2007-2011, the total volume of humanitarian assistance provided by Russia for the payment of pensions was around 75 million dollars²⁴. Also, Russia is ignoring the immense debt, nearly 3 billion dollars that the Transnistrian authorities has accumulated for the consumption of natural gas imported from the Russian Federation. However, officially these debts are considered to be of Moldova, though it does not control the Transnistrian region. At the same time, there are other unofficial forms of financial and technical assistance provided, particularly, to the Transnistrian army and security structures, which is hard to track²⁵. In parallel, Russia maintains on the territory of the Transnistrian region about 20 thousand tons of munitions and approximately 1,000 soldiers than have the mission to secure it. These troops were to be withdrawn completely and unconditionally from the territory of Moldova in 2002, in accordance with the adapted Treaty on Conventional Armed Forces in Europe (CFE) and the Declaration of the Istanbul OSCE Summit in 1999²⁶. In 2007, Russia suspended its participation in the adapted Treaty and stated as a precondition to the complete withdrawal of its troops and munitions from the R. Moldova the political settlement of the Transnistrian conflict. However, this position does not coincide with that of the Moldovan authorities, which stand for the complete and unconditional withdrawal of Russian troops and ammunition.

6. *GUAM partnership (Georgia, Ukraine, Azerbaijan and Moldova)*. The association of Moldova to the GUAM Group was determined, first of all, by political considerations, in particular by the necessity to make the Moldova's position better heard and taken into account in the negotiations on the adapted version of the CFE Treaty, as well as in order to counterbalance the influence of the Russian Federation in the process of Transnistrian conflict settlement. Economic calculations have played a secondary role in the formation of GUAM and, especially, in Moldova's adherence to this regional for. The creation of GUAM was based, first, on a package of common strategic interests, namely: Russia honoring its commitments concerning the reduction of conventional armed forces in Europe taken under the CFE Treaty; the coordination of their positions with regard to the settlement of frozen conflicts in the framework of international organizations (Council of Europe, the Organization for security and cooperation in Europe (OSCE), the United Nations (UN)); ensuring energy and economic security by developing alternative transport corridors that would link Europe, Caucasus and Central Asia, bypassing Russia, etc.. In 2006, the GUAM initiative has been institutionalized as the Organization for Democracy and Economic Development, and one of the fundamental priorities of the new regional structure becomes deepening of European integration in order to create a common space of security, democracy, economic and humanitarian cooperation. For Moldovan authorities, GUAM is a complementary platform for its efforts of European integration, emphasizing the strengthening of economic and trade relations, the development of energy and transport infrastructures and combating organized crime. Focusing on economic cooperation, Moldova wants to avoid contradictions with Russia, which continues to regard GUAM as an organization that neglects "privileged interests" in CIS area²⁷;

²⁴ Infotag (2012): Russia forwards new tranche of financial assistance to Transnistria. <http://www.infotag.md/news-en/598935/>

²⁵ Chirila, Victor (2011): Why do we need Transnistria? <http://ape.md/libview.php?l=en&idc=152&id=1594>

Transnistrian separatist region or the so called "Pridnestrovian Moldavian Republic" has at its disposal the Army and the "Ministry of Defense"; "Ministry of State Security" with the border guards, Cossacks and special operations battalion "Delta"; and "Ministry of Internal Affairs" with special operations brigade "Dniester". Overall, Transnistrian regime has over 20 thousands of military, paramilitary and security troops.

²⁶ OSCE (1999): Istanbul Document - 1999: Istanbul Summit Declaration, pp. 46-54. <http://www.osce.org/mc/39569?download=true>

²⁷ Chirila, Victor (2010): "Cooperation of the Republic of Moldova within GUAM", The Foreign Policy of the Republic of Moldova (1998 – 2008). <http://ape.md/lib.php?l=en&idc=156>

7. *Russian's lack of interest for a strategic partnership with Moldova.* As long as Moldova is engaged on the path of political and economic integration with the EU, defining a Moldovan - Russian strategic partnership does not constitute a priority for Russia. Moldova's pro-European policy comes in contradiction with Russia's plans to build its own sphere of influence in the post-Soviet space with Russia as central point. In the view of the Russian society and political class, in the new multi-pole world, Russia's regional ambitions with global projection of its influence will depend on its affirmation as a leader in the CIS space, which is, increasingly, redefined by Russian politicians, geopolitically, geo-economically and geo-culturally, as the Eurasian world. Russia wants to become the only speaker of the Eurasian world with the West, embodied by the US, EU and NATO. However, in order to see fulfilled this geo-strategic desire, Russia needs for international partners, particularly the USA and the EU to recognize its status of leader in the framework of regional organizations promoting political and economic integration in the CIS area and respect its area of "privileged interests".

All described factors demonstrate that Moldova's European integration policy doesn't comply with Russia's Eurasian geostrategic design. On the contrary, it is perceived by Russia as representing the intentions of the West to expand its area of influence in the post-Soviet space, thus undermining Russia's status of regional power by gradual erosion of the main platforms designed to promote political, economic and military power in the region. In the case of Moldova, these platforms are energy dependency, trade - economic dependency, the Transnistrian conflict, the illegal deployment of Russian troops on the territory of the country. Given these reasons, Russia is not at all pleased by the participation of Moldova in the framework of the EU Eastern Partnership²⁸. Although, lately, Russian diplomats and politicians have been less critical with regard to this regional initiative, the Russian distrust towards it has remained unchanged. The Eastern Partnership is for Moldova the path to economic integration, energy integration, infrastructural integration and political association with the EU, which will have the effect of a gradual neutralization of Russian influence in the field of energy, trade and politics.

Conclusions

Despite the real preconditions that exist for the set up of a Moldovan-Russian strategic partnership, it has minimal chances to succeed. European integration of Moldova runs against Russia's vision concerning the integration processes in the post-Soviet region. In fact, they exclude each other. In these circumstances, the stated intention of Moldova to build a strategic partnership with Russia is neither credible, nor feasible. What are, then, the real options of Moldova for the development of sustainable and predictable relations with the Russian Federation?

The room for maneuver available to Moldova in relation to the Russian Federation is extremely limited. In addition to objective obstacles underlined in this analysis, there are also a number of external factors that will shape in the coming years Moldova's options towards Russia's policy in the region.

Firstly, Russia is a conservative power which prefers rather to preserve the regional status quo, than to take risks of changing it with uncertain results. From this point of view, the return of Putin to Kremlin has not brought big changes in Russia's policy towards Moldova and the region. Putin continues the policy of his predecessor aimed towards affirmation of Russia as a regional power with global impact, giving it a new impetus.

²⁸ Center for Eastern Studies (2009): Russian Federation: Sergei Lavrov criticises the Eastern Partnership. Warsaw.
<http://www.osw.waw.pl/en/publikacje/eastweek/2009-03-25/russian-federation-sergei-lavrov-criticises-eastern-partnership>

Secondly, it is clear to everyone that the partnership for modernization²⁹ between EU and Russia failed before it began. The causes of this fiasco are not so much related to the debt crisis in the EU, but, more to different expectations of Russia and the EU from this partnership. While Russia wanted to bring in more European technologies and investments in Russian economy without further obligation, the EU hoped that the new partnership will encourage democratic transformations and structural reforms, essential for attracting investment and European technologies.

Thirdly, taking into account the role played by the EU in supporting the "Arab spring" in the States of the Maghreb (Libya, Tunisia and Egypt), Russia does not see anymore the EU as a neutral actor, only with economic and regulatory interests. This shift forces Russia to reassess its attitudes towards the EU policies in the post-Soviet space. Russia's haste to institutionalize the Eurasian Union announced by Putin in October 2011³⁰ is a clear sign that the process has begun.

Fourthly, the Euro zone crisis has changed EU priorities. Thus, in the next 10 years, EU will be focused above all on its domestic consolidation and economic revival. For Russia, the weaknesses of the EU are a good opportunity to take advantage of them in order to implement their own integration project in the post-Soviet space, first, economic and then political as an alternative to the EU project. The Treaty establishing the Eurasian Union is planned to be signed on 1 January 2015, this was stated by President Dmitry Medvedev at the meeting of Interstate Council of the Eurasian Economic Community (EEC) in Moscow, on 19 March 2012. In the same context, he stressed that states which will be part of the future Union will naturally benefit of privileges, while the ones that will opt to remain outside will have, of course, problems³¹.

Fifth, resetting Russian-American relations has failed to produce a compromise on the American missile shield in Europe. For both Russia and the USA the missile shield has become a question of principle. Despite multiple assurances given by US and its European allies that the missile shield is not directed against Russia, it continues to perceive the shield as a direct threat to its own security. Considering that some elements of future missile shield will be installed in Romania, the possible escalation of Russian - American tensions around this topic could affect also Moldova.

Six, Vladimir Putin is convinced that the West understands only the language of force and tough negotiation. The 2008 war with Georgia stopped the expansion of the North Atlantic Alliance in the former Soviet area, and the new Strategic Arms Reduction Treaty (START)³² Agreement allowed Russia to join the World Trade Organization, after 20 years. Thus, we cannot exclude that Russia will be tempted to apply harsh measures against those who undermine strategic interests in the region. Appointing Dmitry Rogozin³³, the Deputy Prime Minister in charge of the Russian Defense Industry³⁴,

²⁹ Council of the European Union (2010): Joint Statement on the Partnership for Modernisation EU-Russia Summit 31 May-1 June 2010. http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/er/114747.pdf

³⁰ The Guardian (2011): Putin's grand vision: a new Eurasian bloc with old Soviet neighbours. <http://www.guardian.co.uk/world/2011/oct/04/putin-grand-vision-eurasian-bloc>

³¹ Voice of Russia (2012): Members will have privileges – Medvedev. http://english.ruvr.ru/2012_03_20/68952155/

³² White House (2010): The New START Treaty and Protocol. <http://www.whitehouse.gov/blog/2010/04/08/new-start-treaty-and-protocol>

³³ Dmitry Rogozin is a Russian diplomat and politician, Ambassador Extraordinary and Plenipotentiary of Russia, vice-premier of Russian Government in charge of defense industry. In January 2008, he became Russia's ambassador to NATO until December 2011. As Russia's NATO envoy he was heavily opposed to Ukraine and Georgia becoming members of NATO. He was a leader of the Rodina (Motherland) nationalist-patriotic party until it merged with other similar Russian parties to form the Fair Russia party. On 18 February 2011 Russian President Dmitry Medvedev appointed Dmitry Rogozin as a Special Representative on anti-missile defence and

as the special representative of the President of the Russian Federation to Transnistria and co-Chairman of the Moldovan - Russian Intergovernmental Commission for economic cooperation, fits perfectly in Russia's logic of action.

Taking into account the aforementioned external factors and trends, the option of ignoring or worse challenging openly Russia would be counterproductive and even fatalist. Russia will not hesitate to apply coercive instruments towards Moldova and the consequences will be disastrous both for its internal stability and its relations with the major partners, particularly the EU. Judging by the experience of Georgia, we can assume that neither the EU, nor the USA will support the deterioration of our relations with Russia.

Yet it is obvious that, in the current context, a strategic partnership with Russia is a chimera. Of course, Moldovan politicians may continue to flirt with the idea of a strategic partnership with Russia, but it is unlikely that Russian politicians will be charmed by their Moldovan colleagues. The idea lacks credible content in the eyes of Russia and even the exemplary participation of Moldovan officials as observers at the meetings of the Eurasian Economic Community³⁵ will not make the Kremlin policy makers overlook the European orientation of Moldova and be less consistent in asserting Russian interests in our country.

Nevertheless, Moldova needs a realistic, predictable and credible policy towards Russia, which would facilitate its European integration and modernization reform agenda. Thus, a credible option would be to develop specific/utilitarian partnerships with Russia on areas of common interest: energy, trade, cultural-humanitarian cooperation, regional security, etc.. Such a policy would offer to Russia a constructive role in the current paradigm of Moldova's development. Certainly, it is a daunting task to formulate and implement such a policy with Russia, but does Moldova have another alternative? The alternative is the inevitable confrontation of the two integrationist projects the European Union and the Eurasian Union on the territory of our country, with unforeseeable political and economic consequences for Moldova.

negotiations with NATO countries on this issue. On 23 December 2011 Dmitry Rogozin was appointed deputy premier of Russian Government in charge of defense and space industry. As responsible for the defense industry he leads the creation of the Russian Foundation for Advanced Research Projects in the Defense Industry.

³⁴ RIANOVOSTI (2012): [Russian Arms Sales at \\$14 Bln in 2012](http://en.rian.ru/military_news/20121217/178216645.html), http://en.rian.ru/military_news/20121217/178216645.html
RIANOVOSTI (2012): Russian defense industry production up 2.5% in 2009, <http://en.rian.ru/russia/20090602/155148607.html>
Vasiliev, Dmitry (2010): "Ranking of Top Russian Defense Companies in 2009", Moscow Defense Brief #3 (21), 2010.
<http://www.webcitation.org/5tFaPvNmN>

The Defense industry of Russia is a strategically important sector and a large employer. It is also a significant player in the global arms market. Russia is the second largest conventional arms exporter after the United States, with \$13,5 billions' worth of exports in 2012. Russia's military industry employs 2.5 - 3 million people and accounts for 20% of all manufacturing jobs. The combined revenue of the industry's 20 largest companies in 2009 was \$12.25 billion.

³⁵ EurAsian Economic Community (EurAsEC) is an international economic organization aimed to form common external customs borders, to develop common external economic policy, tariffs, prices etc., and other functioning parts of a common market, adapted from European Community, WTO, and other international norms. The Member States are: Belarus, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, and Uzbekistan. The Agreement to create EurAsEC was signed on October 10th, 2000 by the leaders of five of these countries. Uzbekistan joined to EurAsEC in 2005. Moldova, Ukraine and Armenia are Observers of EurAsEC. http://www.eurasian-ec.com/index.php?option=com_content&task=view&id=2&Itemid=7

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