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Prospects for Forming a New Government in Moldova

Jakub Pieńkowski

The recent elections in Moldova are prompting political games. The ruling Democratic Party chaired by the oligarch Vladimir Plahotniuc probably will form a government with the Party of Socialists. The pro-European bloc ACUM likely will remain in the opposition. This points to the possible further regression in Moldova's relationship with the EU. In ongoing works under the Eastern Partnership programme after 2020, Poland may promote stricter conditions on further economic cooperation with the EU depending on the implementation of pro-European standards by the Moldovan authorities.

Post-Election Situation. Plahotniuc has not held elected office until the elections this year, but since 2016 he has de facto ruled Moldova. The elections of 24 February gave his Democratic Party (PDM) 30 MPs, including him. Although the pro-Russia Party of Socialists (PSRM) won 35, the polls had predicted the possibility of even a majority of the 101-seat parliament. The pro-European ACUM—an opposition bloc composed of the Party of Action and Solidarity of Maia Sandu and [the Dignity and Truth Platform Party of Andrei Năstase](#)—received 26. The pro-Russia Șor Party of Ilan Șor, the alleged architect of the [“billion dollar fraud scandal”](#), won seven seats. He and three formally independent MPs are in fact loyal lieutenants of the oligarch.

The election results guarantee Plahotniuc's further domination of Moldova. In the past parliamentary term, in relations with the EU and the U.S., he made himself out to be the personal guarantor of preventing PSRM and its president, Igor Dodon, from gaining power. Meanwhile, they are the beneficiaries of the political and business system run by the oligarch. Although [officially in the opposition, they avoid confrontations with PDM and have supported the government at key moments](#). This is now a cornerstone of the cooperation with these parties on the creation of a new cabinet.

Democrats' Coalition Negotiations. PDM plays a key role in the post-election negotiations, even though it is not the largest faction in parliament. The president, who has the right to indicate his candidate for prime minister, must wait for certain parliamentary arrangements and became the patron of the talks between PDM and PSRM. However, the quick formation of the government is not a priority for the Plahotniuc. The constitution does not specify the date by which these arrangements must be completed and by then, the Pavel Filip government of PDM will rule. The president can dissolve parliament only after 21 June, three months after its formation, if he recognizes it as unable to establish a new government. However, this is unlikely because early elections would threaten to further weaken the Socialists.

ACUM's main demands are that Plahotniuc be blocked from exercising power and further, the de-oligarchisation of Moldova. Despite this, PDM offered them a place in the coalition and even the prime ministership, counting on the offer being rejected, which would allow the Democrats to blame ACUM for the failure of a pro-European coalition and the entry of the Socialists into the government. It also exposes ACUM to criticism from the U.S. and Romania, who fear a pro-Russia stance if the Socialists come to power. To avoid this trap, ACUM has called for the appointment of Sandu as the prime minister of a technical government. Her task would be to change the law and heads of institutions, perform de-oligarchisation of the state, and then conduct early elections.

To persuade the EU and the U.S. to accept the coalition with the Socialists, the Democrats announced the implementation of Moldova's Association Agreement with the EU as the main condition for the coalition negotiations. Dodon, in turn, is no longer demanding termination of this agreement and simultaneous accession to the Eurasian Economic Union, claiming that Moldova can cooperate with both organisations. The condition of neutrality and territorial integrity is intended to appease the pro-Russia PSRM electorate, reluctant of rapprochement with the EU and NATO. This is also a signal that the new coalition, especially on the Transnistria question, will respect Russia's interests.

Socialists Post-Election Fears. Russia is reluctant to back Plahotniuc, who it sees as too independent. Dodon and the Socialists cooperate with him so they too are little trusted, as evidenced by the lack of support for them in the election campaign. At the same time, while Russia is afraid to lose all influence in PSRM, which could be compromised in Moldovans' eyes, the situation requires a new pro-Russia party to be promoted before the next election in Moldova. Therefore, Russian media connected with the authorities have warned the Socialists against entering into a coalition with the Democrats. Concerned by this reaction, Dodon withdrew his patronage over the coalition negotiations and flew to Moscow on an urgent working visit. Then, all MPs from the Socialist faction paid a visit to the Russian State Duma. These were attempts to convince the Russian authorities about PSRM's loyalty and obtain approval for the coalition. At the same time, the Democrats expressed their willingness to improve relations, as evidenced by Prime Minister Filip's meeting with the Russian ambassador.

PSRM also started discussions with ACUM to demonstrate its independence from PDM. Trying to prove that the coalition with the Democrats will be forced on the Socialists by the bloc's obstruction is evidenced by the extreme discrepancies in their proposals. When ACUM rejects the government coalition and proposes ad hoc cooperation on de-oligarchisation, Dodon will announce that he wants the government for a full term and will not agree to a minority cabinet. PSRM will offer the prime minister's office to ACUM but in exchange for key ministries: foreign affairs and European integration, defence and internal affairs. It also demands subordination of the Information and Security Service to the president.

The resistance against the coalition with PDM threatens to cause a split inside PSRM. This is a realistic scenario because PDM, with the Șor Party and non-affiliated MPs, has 41 seats, lacking only 10 to obtain a parliamentary majority. After the 2014 elections, the Democrats had 19 MPs but by the middle of the term had 41. They were joined by deputies after some splits made by Plahotniuc in the four parties. Another 10 MPs formally did not join PDM but formed a coalition party—the European People's Party of Moldova.

Conclusions. Plahotniuc is heading for a government coalition with PSRM, which will ensure the stability of his party PDM's power. Proposals from talks directed by both parties to ACUM are meant to lay the blame on it for the final formation of the PDM-PSRM coalition. The Socialists want Russia's consent—though it is reluctant of cooperation with the oligarch—to enter the coalition. A potential solution to avoid both of Russia's concerns, as well as those of the EU and the U.S., could be the formation of an expert government, which is supported by PDM and PSRM, with a non-partisan prime minister but in fact subordinated to Plahotniuc. The participation of the Socialists in the government will not result in a pro-Russia reorientation of Moldova; however, it may lead to an official stance—[signalled before the elections by PDM—of a policy of balance between the EU and Russia](#). This would be convenient justification for the lack of reform and instrumental treatment of European integration. The new government would be willing to implement only selected provisions of the DCFTA and the Association Agreement that give quick financial benefits.

The lack of pro-European changes in Moldova may be used by, for example, Austria, France, or Italy as an argument that the EU should be more involved in the Mediterranean, as they see its active Eastern policy as both ineffective and provocative to Russia. Poland, which assumes a closer connection will come based on economic cooperation with the EU and internal changes, may use [the current work on the Eastern Partnership proposal for after 2020](#) to induce Moldova to undertake reform to which it is bound under the Association Agreement. An additional incentive for the new government to implement reform may be an offer to unblock €100 million in macro-economic assistance from the EU. On the other hand, a lack of reform, especially in the fight against corruption and money laundering, may force the EU to limit the visa-free regime, as warned by the EU ambassador in Chișinău. Cooperation with Russia is not an alternative for Moldova. Already, 69% of its trade is with the EU and the Russian state budget, weakened by sanctions, is not capable of subsidising it in the long term. At the same time, it will be advisable for the EU to continue to support Moldovan civil society, which, despite the authorities' policies, still supports closer cooperation with the EU. Limitation of this support elevates Russian propaganda and disinformation—and thus anti-Western sentiment—not only in Moldova but also in the neighbouring regions of Ukraine.

The current Romanian presidency of the EU Council is conducive to making the Eastern Partnership more dynamic. However, the Romanian authorities have uncritically supported PDM so far and ignored ACUM, counting on Plahotniuc's support for [its own vision of a modern Moldova within Romanian historical-identity policy](#). Therefore, it is favourable to point out to the Romanian partners the benefits of a more pragmatic approach that would foster Moldova's European integration and would not antagonise a significant part of its society reluctant to the Romanian vision of Moldova's history.