

# The role of clans in Moldova in politics and economics

*Mahreen Khan  
Independent Researcher  
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## Question

*What is the role of clans in Moldova, particularly in politics and economics?*

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# 1. Summary

Moldova's politics, economy, justice system and media are increasingly dominated by a powerful group of elites, led by oligarchs - a new breed of businessmen-politicians who have emerged in the past decade - controlling strategic sectors of the economy and finance, hijacking the political system, taming the judiciary and acquiring monopolistic control of mass media, to promote and protect their vast business empires. Alongside traditional clan, kinship and patronage networks these elites exert influence through informal politics<sup>1</sup>, shaping Moldova's politics and economy, often hindering reforms for democratisation, rule of law, meritocracy and transparency.

This helpdesk report looks at the nature and role of clans in Moldova in the country's politics and economy. This literature review utilises academic as well as grey sources, research papers, media and blogs published mainly in the past ten years. The sources reveal a paucity of Moldova centric material, especially on the sub-issue of clans, but much more literature is available on **the role of informal politics and state capture<sup>2</sup> by elites, especially oligarchs, in Moldova**. The evidence found did not address gender and disability issues.

The term 'clans' is often used interchangeably with 'elites' by Moldovans when discussing their society and politics (Hall, 2020). Academic definitions of clans as kinship-based groups, vertically and horizontally aligned through kinship ties, through actual lineage/blood relations or fictive kinship (Hudson, 2015, p. 535), are rather limiting and more fitting for clans in Central Asia. Thus, it is appropriate to use a wider lens to examine the role of clans, as used in the query. This approach embraces all types of **groups or networks who exert illicit, non-transparent or illegal influence on politics, governance and the economy**. These range from traditional clan/kinship networks, predominant at the local level, to powerful political and business elites, often led by oligarchs, operating at the national level.

In Moldova, symptoms of state capture have escalated into a vicious power struggle between oligarchs for control of organs of the state. By utilising their vast financial empires they now control strategic sectors of the economy, dominate political parties, dictate to judicial and legal institutions and have acquired mass media ownership.

## Key Findings

- The Republic of Moldova, which declared independence after the collapse of the Soviet Union in 1991, is a small landlocked Eastern European country with a population of only 2.64 million (World Bank, 2022, p.1). It is **one of the poorest countries in Europe, with** an import dependent economy and low rate of industrialisation. Corruption is endemic, permeating every layer of society.
- Moldova underwent a **chaotic triple transition** of nationhood (from being part of the Soviet Union to an independent republic), economic system (from planned/protected to

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<sup>1</sup> **Informal Politics** is defined as the use of personal relations, informal norms and systems to obtain or maintain power and benefits. Informal politics is non-transparent and can be insidious and secretive.

<sup>2</sup> **State capture** refers to the powerful influence of a class of elites over key elements of state structures and resources

liberal/free market) and political system (from communist/authoritarian to electoral democracy) which has resulted in a flawed democracy and vulnerable economy.

- **Weak State with Powerful Elites:** Moldova is a weak state with increasingly powerful elites, most recently headed by prominent oligarchs. The post-Soviet transition was patchy, creating an **unstable democracy** subject to manipulation and destabilisation by political elites. Opaque privatisation deals, high level corruption and a low rate of industrialisation have enabled oligarchs/business elites to dominate key sectors of the economy. Civil society is underdeveloped, and the media is not independent. Weak rule of law has allowed nepotism, clientelism and corruption to proliferate.
- **Oligarchic Capitalism Flourishes:** The incomplete and flawed economic reforms of the 1990's in Moldova encouraged powerful oligarchs to flourish (Rosco, 2022, p.1). Rosco evidences the decline in the percentage of state-owned enterprises with the concomitant rise in wealth of a few businessmen, as well as continued state presence in strategic sectors such as energy, telecommunications and transport where politicians award favourable contracts to their own or related firms (Rosco, 2022, p. 62). She also notes that from 2000 - 2020 these politician-oligarchs expanded their influence to purchasing media channels, transport companies, construction firms and banks (Rosco, 2022, p. 63). In 2014, after the notorious scandal where US\$1 billion “vanished” from the Moldovan banking system, the missing amount was subsequently transformed into public debt rather than being extracted from the government officials implicated in the scam (Rosco, 2022, p. 64), demonstrating the vast extent of oligarchic dominance of the political, financial and legal systems.
- **Clans and the Custom of *Cumatrism*:** There is scarce reference to ‘clans’ in the context of Moldova (it seems to be used far more for Romania and Central Asia) but *cumatrism*, which creates fictive kinship, does appear in some material, as a prevalent Moldovan custom of creating a life-long client-patron relationship. Patrons adopt a ‘godparent’ role for their client who reciprocates with unwavering loyalty and subservience. This manifests most visibly in politics through the placement of ‘clients’ in high profile positions by their patrons, with no regard for merit. In return, clients will do their patron’s bidding. This often means allocating contracts and state resources solely on the patron-client relationship, undermining the rule of law and competition.

## 2. Historical Background & Development of Clans

### History & Political Economy of Moldova

**Post-Soviet Triple Transition:** In 1991, Moldova underwent a triple transition of identity/nationhood (from being part of the Soviet Union to an independent republic), economic system (from communist, centralised, planned and protected, to a free-market economy required to innovate, trade and compete) and political system (from Communist, authoritarian, Moscow-centred to a self-governing, democracy, seeking Europeanisation and accession to the EU). Referencing the magnitude of the collapse of the Soviet Union, Offe (1991) wrote, “At that moment countries, political power and immense state assets were divided up”. This massive disruption entailed a hurried, largely unchecked distribution of state assets, administrative systems and jobs, ***providing fertile conditions for clans/elites/informal politics to take root***

**and embed** in the country's nascent political, administrative, justice and economic structures (Klima, 2019). The legacy of Soviet authoritarian values and corrupt practices permeated the new set up early on through former Soviet officials known as the Old Guard (Gherasimov, 2019).

**Multiple Economic Challenges:** Moldova's economy is still highly dependent on imports, especially energy, making it vulnerable to external shocks like the ongoing war in neighbouring Ukraine and its attendant influx of 100,000 refugees, the majority of whom are women and children, burdening an already stretched welfare system (Postica, 2022). The economy continues to suffer from COVID-19 related economic consequences, as well as the impact of the severe drought of 2020, which seriously damaged the country's main output, agricultural produce.

**Corruption & State Capture:** Moldova ranks 105<sup>th</sup> least corrupt out of 180 countries, with a score of 36/100 where 0 is total corruption, in the Transparency International Corruption Perceptions Index Report 2021. After the infamous money laundering scandal of 2014, where \$1 billion vanished from Moldovan state banks (Kononczuk et al, 2017, p.6), Transparency International Moldova Report 2016 gravely noted that "as never before, **the link between corruption and state capture has become visible**".

**Political Elites** have abused power, misused prosecutions and the courts against opponents and made financial deals and policy decisions without transparency or consultation (Jurkonis, 2015). There is often a climate of fear in speaking out against oligarchs like Plahotniuc (Hall, 2020, p. 20) leading to the conclusion that Moldova is a "competitive authoritarian regime" (Hall, 2020, p.30) and subject to state capture by oligarchs (Kononczuk et al, 2017, p.3).

## Origins of Clans in Moldova

Stephen Hall's interviews conducted in 2017 with Moldovans with first-hand knowledge of society illustrates how the terms 'clans' and 'elites' are used interchangeably:

"Moldova has competing clans which are fissiparous and constantly changing. There are only a small number of elites, and they know each other. The clans fight over revenue streams and state structures. People who are presently in power did well in the 1990's, shaping today's rules" (Hall, 2020, p. 353).

The 1990's historical backdrop of the collapse of the Soviet Union provided a window of opportunity for clans/elites and informal politics to establish themselves in both political and economic spheres. This momentous change for Moldova is described by Klima (2019, p.1) as "a specific historical moment of disorder, offering a window of opportunity for the large-scale exploitation of public resources in the sense of a kind of 'Klondike Gold Rush'."

Klima goes on to conclude that this environment provided propitious conditions in which "**negative structural behaviour flourished such as clientelism, corruption, organised crime and patronage**" (2019, p. 21). He also describes the foundation of a parallel system, that took root in the 1990's, where structural corruption and structural patronage became systemic resulting in **party capture and state capture** establishing "**parallel structures of powerful informal politics**" (Klima, 2019, p. xiv).

**Clans/elites in Moldova are not limited to blood relations but can be based on kinship through cumatrim.** This is the unique Moldovan term for the age-old custom of appointing a godparent-like figure when a child is baptised, thus creating fictive kinship (Iovu, 2018). The

phenomenon goes beyond blood lines, creating kin-like bonds between patron and client (Gherasimov, 2019).

This literature review found very few materials on cumatrim, as evidenced by a reference in a 2004 publication by Johanssen, entitled “State of the State of Moldova” which concluded that **“the values, loyalties, structures and the political and economic consequences of cumatrim have not been sufficiently researched”** and recommended further sociological investigation.

Only one English language source was found online, dedicated to explaining the custom of cumatrim, explaining that the word ‘cumătrism’ does not appear in official Romanian language dictionaries (Iovu, 2018). The term denotes the custom and alternatively is used to describe “the unmerited promotion of a candidate to a certain position, based on being a cumătru to someone with status” (Iovu, 2018). The custom is an essential part of Moldova’s economy of favours (Iovu, 2018).

The child’s parents are the client and the patron is the cumătru, who assists and arranges employment and promotions for the child, even smoothing out bureaucratic matters or providing political or legal protection, depending on his power and status (Iovu, 2018). The child and his parents reciprocate with lifelong loyalty to the patron. In politics, the concept of cumătrism means clients promoted by their patrons to important positions in the state are expected to serve the interests of their patron rather than those of the state (Hall, 2020, p.111).

For the purposes of this report, a wider lens is useful, covering **any group or structure that exerts informal or unauthorised influence on politics, economics and policy making**. The phrase “role of clans” in the title will thus address **many types of non-transparent, informal political and economic transactions**: kinship-ties; fictive kinship; elite networks; party or state capture; political and economic elites; oligarchs; organised crime and criminal gangs; clientelism; corruption and patronage (Klima, 2019, p. 13).

### 3. Role of Clans: Cumatrim, Elites & Oligarchs

#### Cumătrism in Practice

Cumătrism, which predates the modern state of Moldova, is an entrenched part of culture (Iovu, 2018) and often involves favours or reciprocity with no monetary transaction. Thus, it can embed itself insidiously beneath official state structures, rendering politics a function of non-transparent decisions and resource distribution, not subject to scrutiny, merit or due process but based solely on the patron-client *cumatru* relationship and attendant kinship network (Johanssen, 2004, p.41).

One of the most notable examples of cumatrim in current Moldovan politics is of Andrian Candu, the Speaker of Moldova’s Parliament from 2015-2019. He is the business partner and godson by marriage of oligarch and president of the Democratic Party of Moldova (PDM) Vlad Plahotniuc. Cumătrism shapes society and impacts the state as clients are placed by their patrons to important official positions to serve the interests of their patron, not the interest of the state (Hall, 2020, p.111).

Johanssen (2004, p.31) cites a World Bank survey “clearly stating that the culture of ‘cumatrim’ resulted in what cannot be termed political appointments but rather appointments from within the

network” which sums up the concept of how loyalty to the Moldovan custom meant that only candidates who belonged to the clan were appointed to official positions. Post-Soviet upheaval resulted in thousands of public sector jobs and posts that had to be filled in the early 1990’s, and the prevalent tradition of cumătrism was an easy and readily functioning system of doing so. The data used by Johanssen (2014) revealed that “massive turnover” of staff took place whenever a Minister departed as the new entrant would replace even minor positions with his own clan members. Each time a senior official departs there is ample opportunity for cumătrism, nepotism and favouritism to be used to stack the deck with members of the clan (Johanssen, 2004, p31).

The unquestioning subservience expected and given by a client to his patron/cumatru is in direct conflict with the norms of transparency, rule of law and merit-based decision making, rendering corrupt practices culturally acceptable and hindering the enforcement of anti-corruption measures (Johanssen, 2004, p.37). The survey by Johanssen (2004, pp. 40-41) found that respondents “almost unanimously believed” cumătrism to be a key factor of corruption.

Cumătrism is evolving even within the Moldovan diaspora and the impact of reciprocity amongst emigrants has evolved into “new practices of exchange and mutual assistance as well as to new types of private solidarities seen at the kinship, neighbourhood, ethnic or religious levels” (Rosca, 2022, p. 60).

Even though patronage, reciprocity and cumatrim are prevalent in Moldovan society, over the past two decades, the emergence of powerful businessmen or oligarchs have created an elite which is far more visible and powerful and has scaled up the dimensions of corruption to the state level.

## **How Moldovan Elites Impact Anti-Corruption Norms**

Anti-corruption norms are well established in the EU and developed world as social, political and economic norms. Yet Moldovan elites, despite showing apparent eagerness to move closer to the EU by a Communist government with a pro-EU party in 2009, were complicit in the unprecedented financial scandal in 2014, where over US\$70 billion was laundered via Moldovan banks (The Guardian, 2017). Such a massive money laundering operation could not have succeeded without the collusion of high-ranking state officials and institutions conclude Baltag and Burmester (2022) It seems that despite paying lip service to EU anti-corruption norms, Moldovan social and political elites have not internalised this normative behaviour but still subscribe to old Soviet values which contest and modify EU norms according to local culture and beliefs (Baltag and Burmester, 2022).

Political elites have the key decision-making powers required to embed new normative behaviours in Moldova. They act as “gatekeepers by filtering external norm diffusion or by “opening” gates and re-enforcing the implementation of norm requirements” (Baltag and Burmester, 2022). This means that political elites in Moldova hold the key to promoting or impeding change in norms and behaviours, legislation and implementation relating to transparency, accountability, and anti-corruption.

Baltag and Burmester (2022) note that societal elites, as represented by civil society, advocacy groups, non-governmental organizations, mass media, diaspora associations, pressure groups and grassroots movements, can be agents of change if political elites allow them to play a role in public policy making. In Moldova, political elites have become so powerful and oligarchic in

nature that this has not happened. In fact, the influence of the Orthodox Church on civil society values and the prevalence of Russian media has placed societal elites more in the non-reformist camp (Sliusarenco et al, 2018).

The Soviet legacy of authoritarian rule, lack of transparency and accountability of political decision makers, still permeates Moldovan politics and societal norms (Baltag and Burmester, 2022). Combined with traditions like cumatrism (Iovu, 2018) ruling elites and oligarchs cooperate to ensure systemic corruption thrives (Kononczuk et al, 2017, p. 14).

Baltag and Burmester (2022) conclude that even though Moldovan political elites indulged in pro-Western, pro-EU anti-corruption rhetoric, they did not adopt the behaviours and contested the implementation of legislation, even signing secret deals to ensure senior officials would continue to maintain elite interests. This points to a cynical manipulation of the system and external actors like the EU, by entrenched political elites paying lip service to new norms, mimicking democratisation, and legislating reforms, whilst doing everything in their power behind the scenes to prolong their unchecked control and misuse of state institutions and resources.

The mind set of civil servants and bureaucrats in Moldova still adheres to Soviet values with a tendency to suppress rather than share information unless a senior official authorises the same, and unquestioning acceptance of ruling elite's decisions. Nepotism, favouritism and political bias form the basis for recruitment of civil servants (Baltag and Burmester, 2022) perhaps again alluding to the cultural practice of cumatrism.

Moldova is thus categorised by some as a "captured state" or at best a "hybrid regime" (Kononczuk et al, 2017, p. 3). The European Parliament went so far as to declare in a damning resolution that Moldova had become "a state captured by oligarchic interests" noting the apparent collusion of politicians, business interests, the judiciary and political elites in retarding democratisation measures (Joswiak, 2018).

## Oligarchs and State Capture

**Independence & Pluralism by Default 1991 - 2000:** It is important to contextualise Moldova's democratic journey and economic development. The newly independent country faced severe economic, political, social and financial upheaval, including crippling hyperinflation and a massive drop in its GDP to merely 34% of the 1990 level (World Bank, 2002, as cited in Rosca, 2022, p. 54). Despite this, Moldova did not succumb to the lure of authoritarianism, unlike other states in the CIS (Commonwealth of Independent States) notes Tudoroiu (2015, p. 255) as he adopts Way's (2003) "pluralism by default" explanation for this anomaly.

Way characterised 1990's Moldova as a unique breed of "pluralism by default" which he defined as "cases in which democratic institutions are primarily rooted in a fragmented and polarized elite and weak state unable to coordinate and to monopolize the political environment" resulting in a **fragile democracy rather than authoritarian government**. Way explains that the very factors "that keep the regime competitive simultaneously **undermine long-term democratic consolidation and effective governance**." He also correctly forewarned that at a time when these elites unite and state capacity increases, democracy may be at risk (Way, 2003, p1) which is what Moldova witnessed from 2009 onwards when powerful elites led by oligarchs moved towards securing economic and political control and eventually state capture (Kononczuk et al, 2017, p. 3).

**State Capture:** In 2000, the World Bank made a seminal distinction between administrative corruption, where public officials make private gains illegally or non-transparently, and **state capture** whereby any individual or group, whether private or public, **influences state institutions, departments, laws or regulations to obtain advantage by using illegal, illicit or non-transparent means** through enriching public officials via private benefits (Tudoroiu, 2015, p. 256). These elites are restrictive, unrepresentative groups pursuing their own parochial political and economic interests by unduly influencing government policies and decisions in exchange for providing monetary or other private benefits to policy makers, officials and politicians (Gherasimov, 2019).

**Roots of State Capture are in Failed Transition of 1990's:** The Moldovan Government set three key economic goals of liberalisation, privatisation and stabilisation to be achieved by 1992 but failed to do so (Rosca, 2022, p. 54). After the collapse of the Soviet Union in 1991, the Republic of Moldova lost access to a protected market for its main output, agricultural produce. Yet even after a decade, Moldova was still dependent on exporting almost half of its goods and services to CIS markets (Solonari, 2003, p. 1).

Instead of ushering a new system on all fronts, the triple transition of Moldova of a) identity or nationhood (from being part of the Soviet Union to an independent republic), b) economic system (from communist, centralised, planned and protected, to a free market economy required to innovate, trade and compete) and c) political system (from Communist, authoritarian, Moscow-centred to a self-governing, democracy, seeking integration with the EU) **was so chaotic that it provided almost ideal conditions for corruption and subsequent state capture**, with weak state institutions, poor administrative capacity, an absence of free media combined with powerful vested interests who oversaw the mammoth redistribution of state assets virtually unchecked (Tudoroiu, 2015, p. 258).

In these early years of independence, Soviet era values remained largely unchanged and unchallenged as the Old Guard of political elites continued to govern in an authoritarian style, both within their parties and the state, aiming to preserve the status quo which gave them unrivalled patronage networks and unbridled access to state resources (Gherasimov, 2019).

**Communists in Government (2001 – 2009):** In 2001 elections, the Party of Communists of the Republic of Moldova (PRCM) came to power and imposed a non-democratic form of government but were ultimately unsuccessful in consolidating their hold and were defeated in 2009, when Way's pluralism by default thesis again proved valid (Tudoroiu, 2015, p. 256).

By 2005, nearly 20% of Moldovans had emigrated to find work abroad, the majority heading for Russia due to their facility with the Russian language and presence of extended family or friends (Rosca, 2022, p. 59-60). Remittances from emigrants play a significant role in Moldovan society with rural families estimated to be receiving between 25%-30% of total income from this source (Rosca, 2022, p. 60). These factors are a source of dependency on Russia,

**Oligarchs and State Capture (2009 – 2021):** In 2009 the pro-Communist pro-Russia Party was defeated and replaced by the pro-democracy pro-European coalition who proved unable to implement key reforms due to "state capture" by elites, which pursued their own interests to the detriment of the country's democratic development (Tudoroiu, 2015, p. 655).



The post 2009 period is also of interest to Tudoroiu (2015, p. 657) because it witnessed the emergence of leading businessmen as politicians or king makers, who were in the previous Party of Communists' regime but switched political parties to back the winning horse, by co-opting high ranking members of the new ruling coalition often with financial incentives (Hall, 2020, p. 53), in order to illegitimately protect and promote their economic interests. This resulted in oligarchs, like Vladimir (Vlad) Plahotniuc more directly capturing state institutions, irrespective of whether they were in power themselves. What had been previously hidden was now becoming apparent and commonly acknowledged that oligarchs "bought" political parties (Tudoroiu, 2015, p. 662) exposing a significant section of the Moldovan political elite as cynical manipulators of the platform for democratic reforms and Europeanisation to extend their state capture (Tudoroiu, 2015, p. 671). In 2015, after the arrest of his rival Vlad Filat, oligarch Vlad Plahotniuc achieved an unprecedented level of control of the economy and politics that analysts concluded that Moldova was the subject of state capture (Kononczuk et al., 2017, p. 3).

After months of political and constitutional crisis, the EU intervened to end the crisis in 2013, but "the Pro- European Coalition that came to power had no clear programme of addressing the issue of state capture" concludes Tudoroiu (2015, p. 664). This was duly reflected in the level of mistrust that Moldovans showed in their government institutions with a staggering 91% expressing dissatisfaction with their government's fight against corruption and 83-85% registering little or no trust in government, Parliament and the courts (Tudoroiu, 2015, p. 669).

The 2014 parliamentary elections in Moldova witnessed new highs in electoral spending with the two main contestants both being oligarchs. According to official numbers, which local monitoring organisations assessed as being underreported, both sides spent nearly US\$2.5 million each, on TV advertising, events, billboards and voter gifts/incentives (Gherasimov, 2019).

In February 2019, Moldovan elections produced no clear majority allowing consolidation by elites of their power, further strengthening state capture and stalling reformist measures to democratise and improve governance (Gherasimov, 2019). The Soviet style of governance continued with little effective debate of key issues in parliament or public discourse. Instead, most key decisions were taken behind closed doors by the coterie surrounding leaders, opined Gherasimov in 2019.

In 2019, Gherasimov notes that the "Old Guard is flourishing in Moldova" within which oligarchs are an important group. Gherasimov's research paper drew on many interviews which revealed that the current political elite in Moldova consists primarily of wealthy businessmen who amassed eye watering fortunes during the early years of privatisation. These elites now intend to "transform politics into business" often distributing power amongst the clan or family (Gherasimov, 2019). Most media outlets are owned by oligarchs who use them as a tool to promote and protect their own financial and political interests (Baltag and Burmester, 2022).

In Moldova, Vlad Plahotniuc, the president of the Democratic Party (PDM) is considered the wealthiest individual in the country (Montesano et al., 2016, p. 11), although there is no official estimate of his net worth (Gherasimov, 2019). Even when not in government, he exerts much influence and has loyalists in key positions of power to protect his interests, reflecting the deeply entrenched and intertwined nature of political and business elites (Gherasimov, 2019).

## 4. Elite Influence as Obstacles to Reform

Moldova requires significant structural reforms to establish a stable democracy, a competitive economy, good governance, rule of law, a free media, active civil society, justice and anti-corruption enforcement. The influence of oligarchs is a key obstacle to reforms (Kononczuk et al., 2017, p. 17), as well as political elites and clans, embedded cultural acceptance of cumatrim, reciprocity and nepotism which militate against new norms being established and institutional reforms being instituted and implemented.

### Democratisation, Political Parties & Elections

Despite some reforms, Moldova's democratic institutions remain weak and subject to elite influence, resulting in consistently low levels of public trust in the parliament, government, political parties and the legal system over the past ten years (Montesano et al., 2016, p. 7).

Since independence, political parties have remained largely based around the old Soviet values of loyalty to the leader or patron, obedience to authority and nepotism (Gherasimov, 2019). The *Old Guard*, namely former officers of the Soviet system, still dominate parties which revolve around central charismatic figures who appoint family members, favourites and business partners to key positions, which discourages merit based professionals from pursuing public sector careers and further strengthens corrupt nepotistic networks (Gherasimov, 2019). Moldova swings between semi consolidated authoritarianism and a hybrid-regime depending on how much control the party in government can exert (Hall, 2020, p. 46).

The absence of public financing of political parties and weak campaign and party finance regulations has allowed powerful elites and oligarchs to dominate the electoral process (Gherasimov, 2019). Until transparent and robust party finance laws are enforced, oligarchs/elites will use their abundant financial clout to buy candidates and parties (Kononczuk et al., 2017, p. 20) and even fund candidates from more than one party to ensure they are on the winning side, no matter what the result (Hall, 2020, p. 55). These practices prevent genuine representation from all levels of society (Gherasimov, 2019).

Gherasimov (2019) postulates that there is an opportunity for "elite renewal" to usher in new entrants into high level politics but vested interests of the Old Guard, access to party finances, and limited exposure to domestic politics are obstacles to this potential for elite renewal. However, continued expansion by oligarchs of control on political bodies is undermining Moldova's vulnerable democracy (Montesano et al., 2016, p. 7).

### Rule of Law, Justice & Anti-Corruption

Oligarchs and elites interfere with the process of justice both in appointments of their favourites to important positions and malicious use of prosecutions and charges against opponents (Gherasimov, 2019). Analysts have noted the development of a "fundamental power concentration around oligarch Vladimir Plahotniuc" as he expands his control over significant parts of Moldova's judicial bodies (Montesano et al., 2016, p. 7) even enabling him to tame the judiciary to obtain favourable judgments until he fled the country in 2019 (Hall, 2020, p. 77).

Staying in power is often a means of avoiding prosecution, as was the case for Vlad Filat, former prime minister of Moldova, who used his parliamentary immunity until it was rescinded during a

plenary session leading to his trial for serious charges of corruption and abuse of his office (Gherasimov, 2019). Key institutions of law enforcement such as prosecutors and anti-corruption, can be controlled by oligarchic influence (Kononczuk et al., 2017, p. 12) to target political opponents and to ensure the same institutions protect thus thwarting justice (Kononczuk et al., 2017, p. 13).

Elites can engage cynical behaviour allowing legislation to be passed and the establishment of certain institutions only to delay or thwart effective implementation and enforcement. For example, despite setting up new anti-corruption institutions, mainly at the behest of the pro-EU groups, the appointment of senior managers has been intensely contested (Kononczuk et al., 2017, p. 18) to gain the power to use such institutions to target political and business opponents (Gherasimov, 2019).

As many oligarchs owe their fortunes to opaque or even illegal means, they resist reforms which would introduce accountability, transparency and strong rule of law (Gherasimov, 2019). The EU has stressed the need for Moldova to combat organised crime, high-level corruption, money laundering and the weak performance of the judiciary (Montesano et al., 2016, pp. 10-11), all of which are impacted by oligarchic influence.

## **Civil Society & Free Media**

Oligarchs have recently acquired ownership of mass media in Moldova securing control of a key element of a free society for their own interests to a monopolistic degree (Kononczuk et al., 2017, p. 21). The EU has expressed concerns over the “concentration and transparency of media ownership” and that political interference was affecting many media outlets (EEAS, 2015, p. 2). In Gherasimov’s (2019) assessment oligarchs have “monopolised” the media space and raised the costs of campaigning as well as discouraging diverse voices and smaller parties from contributing to public debate. This deprives the electorate of an independent media and balanced coverage. Gherasimov (2019) goes so far as to conclude that President Dodon and oligarch Vladimir Plahotniuc “control the country’s media”.

Propaganda is becoming hard to avoid both from Russian channels and content, which is widespread, pointing to the interlinkage between Moldovan and Russian elites (Hall, 2020, p. 85) Channels owned by oligarchs are a source of revenue as well as a propaganda vehicle (Kononczuk et al., 2017, p. 7). As the media has a direct impact on electoral outcomes, through discrediting opponents and promoting favoured candidates, oligarchs and powerful elites oppose media freedom (Gherasimov, 2019) and dodge attempts to regulate media ownership by creating companies nominally owned by associates (Kononczuk et al., 2017, p. 7).

Social uprisings and public protests can open a window of opportunity for new entrants to break the hold of powerful elites in some areas of governance (Gherasimov, 2019). In 2009, protests against the Communist party and pro-Russian policies, which became known as the Twitter Revolution, introduced a new group of civil society activists who joined the newly formed Liberal Democratic Party (PLDM) in which talented reformers, including western educated expats and returned members of the diaspora, were given public administration posts replacing many of the Old Guard. EU financial assistance was used to encourage highly skilled professionals to take up civil service and public sector roles (Gherasimov, 2019).

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## Key websites

- European Commission: <https://ec.europa.eu/>
- Moldovan Politics Website: <https://www.moldovanpolitics.com/>
- Transparency International Moldova: <https://www.transparency.md/publications>

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