

# Political settlements: The case of Moldova

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## Question

What are the key aspects of Moldova's political settlement and how does this encourage or discourage inclusive governance and economic development?

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## 1. Summary

The new elite in post-1991 independent Moldova gradually captured state institutions, while internal drivers of reforms have generally been weak. Civil society has had limited effectiveness; and the media is largely dominated by political and business circles (BTI, 2022). The Moldovan diaspora has emerged in recent years, however, as a powerful driver of reform. In addition, new political parties and politicians have in recent years focused on common social and economic problems, rather than exploiting identity and geopolitical cleavages. These two developments played a crucial role in the transformative changes in the presidential and parliamentary elections in 2020 and 2021, respectively.<sup>1</sup> The new Moldovan leadership has experienced many challenges, however, in achieving justice and anti-corruption reforms—the primary components of their electoral platform—due to the persistence of rent-seeking and corruption in the justice sector (Minzarari, 2022).

This rapid review examines literature—primarily academic and non-governmental organisation (NGO)-based—in relation to the political settlement of Moldova. It provides an overview of the political settlement framework and the political history of Moldova. It then draws on the literature to explore aspects of the social foundation and the power configuration in Moldova; and implications for governance and inclusive development. The report concludes with recommendations for government, domestic reformers, Moldovan society, and donors for improving inclusive governance and development in Moldova, identified throughout the literature. This report does not cover political settlement in relation to Transnistria.

### Political settlement framework

This report adopts ODI's typology of political settlement, which categorises countries based on:

- **Social foundation:** this dimension looks at the various groups in society and the extent to which they are powerful enough to shape, disrupt or overturn rules of the political and economic game. If the social foundation is broad, there will be more incentive for the political leadership to deliver inclusive development benefits (Kelsall & Hickey, 2020; Kelsall, 2018).
- **Power configuration:** this dimension refers to how power is arranged or organised within a state—and whether and how the top leadership can make binding decisions. Where top leadership holds a high concentration of power, decision-making can be quicker and implementation more predictable. This does not necessarily translate, however, into better development outcomes (Kelsall & Hickey, 2020; Kelsall, 2018).

### Political history of Moldova

**Independence and political pluralism (1991-2000):** Post-independence, political elites sought to simultaneously build democracy, capitalism, and a modern state (Marandici, 2021a). The

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<sup>1</sup> Moldova's presidency has relatively limited powers under the country's parliamentary system, but the position holds symbolic importance: <https://sgp.fas.org/crs/row/IF10894.pdf>. The President, who serves as the Head of State and as the Commander in Chief of the armed forces, can initiate laws and address the legislature on several matters. The powers and duties of the Prime Minister include informing the president of 'matters of special importance' and nominating and coordinating the government. The unicameral Parliament, the country's supreme representative body, enjoys vast oversight powers over the executive branch: <https://moldovanpolitics.com/political-system-2/>

1990s were marked by mass privatisation, which consolidated pre-existing wealth accumulation; institutional weakness; and a weak civil society (Komm et al., 2021; Marandici, 2021a; Dragoman & Luca, 2020). At the same time, Moldova developed a genuine multi-party system.

**Competitive authoritarianism (2001-2009):** The chaotic decade of the 1990s culminated with the defeat of the democrats and the ascendance of the Party of Communists of the Republic of Moldova (PCRM) (Komm et al., 2021; Marandici, 2021a). The dominance of the PCRM during the period 2001 to 2009 resulted in a relatively stable political scene, yet this was at the expense of democratic development (Kosárová & Ušiak, 2017).

**The ‘Twitter’ revolution and the rise of the oligarchs (2009):** The ‘Twitter revolution’, sparked by the 2009 parliamentary elections, which was seen as rigged by the PCRM, brought about the end of competitive authoritarianism (Marandici, 2021a; Kosárová & Ušiak, 2017). This was supported by an anti-Communist coalition, backed by the West and wealthy oligarchs (Marandici, 2021b).

**Oligarchic pluralism and the banking scandal (2009-2014):** Vladimir Plahotniuc and Vladimir Filat, two influential oligarchs, became allies and key players in Moldovan politics, but there was also a constant struggle between them for political influence: a period known as ‘oligarchic pluralism’ (Konończuk et al., 2017; Cenusă, 2016). In 2014, oligarchs carried out the so-called ‘robbery of the century’: a major fraud involving banks, resulting in the theft of over one billion U.S. dollars.

**Collective action and de-oligarchisation (2014-2015):** The banking scandal triggered large-scale popular protests against the regime in 2015, resulting in an alliance between protesters with pro-European views and political parties with pro-Russian sentiment; and the start of de-oligarchisation (Marandici, 2021a; Nizhnikau, 2017).

**State capture (2015-2019):** De-oligarchisation did not lead to democratisation nor to the recovery of the stolen resources (Marandici, 2021a). Instead, Filat’s arrest led to the concentration of political and economic power in Plahotniuc (Rosca, 2018; Konończuk et al., 2017). By 2015, Plahotniuc had assumed almost full control of the state apparatus (the government, parliamentary majority and judiciary); and the media.

**Electoral reform and geopolitical cleavages (2017-2019):** The election of a Socialist and pro-Russian candidate as president, Igor Dodon, in 2016 marked a new turn in Moldovan politics (Dragoman & Luca, 2020). This allowed Plahotniuc and his Democratic Party of Moldova (DPM) to maintain reluctant Western support due to fear of a pro-Russian government in Moldova (Nizhnikau, 2017). Power concentration and state capture were consolidated further by changes to the country’s electoral system in 2017 (Longhurst, 2020; Nizhnikau, 2017).

**Removal of the oligarchs and a one-party government (2019-ongoing):** The Party of Socialists of the Republic of Moldova (PSRM) and the centre-right pro-European opposition from the ACUM bloc—made up of the Party of Action and Solidarity (PAS) and the Platform for Dignity and Truth (DA)—formed a tactical alliance, which was successful in removing the DPM and Plahotniuc from power in 2019 (BTI, 2022; Hill, 2021). The ACUM’s ambitious reform programme, particularly the de-politicisation of the judiciary, met with resistance from the Socialists, however, and the government lasted only five months (BTI, 2022). In November 2020, Maia Sandu won the presidential election, on the back of an anti-corruption platform and

commitment to counter state capture—bringing together a new centre-left and centre-right coalition (Hill, 2021). The oligarchic regime was further eliminated in the 2021 parliamentary elections, in which PAS won the majority of the vote and seats—creating a one-party government (Tăbârță, 2021).

## Social foundation in Moldova

In Moldova, groups and organisations with potential or actual influence in policy-making processes include: reformist actors; civil society organisations (CSOs); diaspora groups and associations; youth; grassroots movements; and coalitions based on common grievances.

**National identity cleavages and issue-based commonalities:** Politicians and political parties in Moldova have instrumentalised identity and geopolitical divisions (pro-Western & Romanian vs pro-Russian) for their own interests (BTI, 2022; Boulègue et al., 2018). New political parties that emerged after the banking scandal have focused more on the electorate's social or economic problems that transcend these divisions (Gohlke, 2021; Marandici, 2021b; Tăbârță, 2021).

**Civil society:** The practical influence of civil society on political decision-making remains limited (BTI, 2022). Individual forms of activism began emerging, however, in the early 2000s, coalescing into movements against ruling regimes in the 2010s (Komm et al., 2021). Moldovans have low levels of trust in CSOs due in part to their dependence on foreign funding and entanglement in politics (Komm et al., 2021; Gherasimov, 2019). A source of optimism is the emergence of new civil society actors, such as various grassroots initiatives, social movements and informal groups of activists that respond to issues across identity and geopolitical divides (Komm et al., 2021).

**Political parties and elites:** Political parties in Moldova have resembled movements grouped around charismatic leaders, particularly during oligarchic regimes (Gherasimov, 2019; Kosárová & Ušiak, 2017). Elites have continued to perceive their term in office as a means of self-enrichment or for preserving their vested interests, rather than pursuing a sustainable new vision for the country that would conflict with their own interests (Gherasimov, 2019).

**(Potential) Reformist leaders and actors:** 'Domestic Reformers' are emerging local leaders active in CSOs, think-tanks and international institutions, who tend to gain clout following a social upheaval or revolution (Gherasimov, 2019). The aspirations of reformers often collide with domestic political reality in Moldova, however, which can result in them compromising to 'old habits' or leaving politics (Gherasimov, 2019). Domestic reformers and new types of elites have thus far been too few in number to promote a different mode of governance (Gherasimov, 2019).

**Youth:** Although young people do not vote in large numbers and do not participate much in voluntary associations, they engage in politics in the form of street protests (Dragoman & Luca, 2020). Youth who seek to enter politics as elected and appointed officials often enjoy high levels of trust as they are perceived to be as 'untouched' by old-style politics (Gherasimov, 2019). However, they may still be co-opted by political parties or oligarchs that promise material benefits and respectable positions in state institutions (Gherasimov, 2019).

**Diaspora:** The Moldovan diaspora are becoming an increasingly vocal factor of change, having contributed significantly to Sandu's victory in the 2020 presidential election and to PAS's victory in the 2021 parliamentary election (BTI, 2022; Tăbârță, 2021). Returning diaspora, who have

spent periods abroad for study or employment, bring with them a new mindset and principles on how to govern more effectively and implement sustainable reforms (Gherasimov, 2019).

## Power configuration in Moldova

Moldova has experienced a wide range of power configurations: multi-party system; competitive authoritarianism; oligarchic pluralism; captured state, while also experiencing collective action, political protest and upheaval—and most recently, a one-party government.

**State capture:** The emergence of a new elite with a high concentration of vested interests, after independence—combined with weak state institutions and a civil society with inadequate power to counterbalance vested interests—produced a state highly susceptible to capture (Rosca, 2018; Tudoroiu, 2015). When the oligarchic Filat/Plahotniuc tandem was dismantled, state capture became extreme with Plahotniuc's single oligarchic network shaping the rules of the game in key state institutions: the judiciary, executive, and public administration (Corman & Schumacher, 2021; Longhurst, 2020; Konończuk et al., 2017). The system of controlling the state apparatus and the Moldovan political scene created by Plahotniuc was based in particular on four complementary main pillars (Calus, 2016).

- **Clan:** Many of Plahotniuc's close aides have close kin relations with him and held key positions in politics and business (usually owing to his patronage) (Calus, 2016).
- **Business and financial power:** State capture leads to a distorted market economy and poor development outcomes (Tudoroiu, 2015). During the period of oligarchic pluralism, the two key oligarchs monopolised the country's economy, holding substantial financial resources available for political bribes (Konończuk et al., 2017).
- **Administration of justice:** Enduring deficiencies in judicial reform and ineffective anti-corruption institutions are legacies of Moldova's post-1991 partial reform (Longhurst, 2020). Capture of the judicial sector became more direct after 2016: cases and convictions through anti-corruption bodies, and the justice system more generally, were selective and closely aligned with prevailing political interests (Longhurst, 2020). The failure of justice sector reforms reflects the preservation of a political model that allows the ruling class to engage in rent-seeking with impunity; and an inadequate number of reformist judges, prosecutors, or other internal constituencies that can drive reforms from within (Lough & Rusu, 2021).
- **Media:** The media is largely dominated by political and business circles and cannot be considered pro-reform, resulting in the manipulation of public opinion to the benefit of a political party or a narrow group of affiliates (BTI, 2022; Rosca, 2018). The monopolisation of media also eliminates the free exchange of ideas and undermines electoral competition—raising the costs of campaigning, limiting the diversity of political voices and discouraging smaller new parties from joining the debate (Gherasimov, 2019; Rosa, 2018).

## Commitment, coordination and cooperation

**Commitment:** Long-term horizons (through political stability) can allow for investment in policies and institutional development that have only a long term pay-off, such as economic and social transformation (Kelsall, 2018). The ruling elite in Moldova generally does not pursue long-term policies, focusing instead on short-term interests to maintain power (BTI, 2022).

**Coordination and cooperation:** Coordination problems ensue when diverse actors have interests that are aligned, but fail to act on them because of uncertainty about what other actors will do (Kelsall, 2018). Cooperation problems arise when collectively desirable outcomes are difficult to achieve because of the incentive to free-ride or because individuals have different interests (Kelsall, 2018). The post-2009 practice of coalition governments in Moldova led to significant difficulties in electing the cabinet, which subsequently had an impact on the functionality of the executive (Tăbârță, 2021).

After the collapse of the oligarchic system in 2019, tensions and friction between individual institutions, organisations and public authorities in Moldova increased (BTI, 2022). Conflict emerged between then President Sandu and her allies, on the one hand, and the PSRM on the other, based on ideological tensions (pro-Western Sandu vs pro-Russian Socialists) and systemic tensions (Sandu and her allies are advocates of reform and democratisation, while the Socialists and their associates are in favour of preserving the status quo) (BTI, 2022). The results of the parliamentary elections of July 2021—and ensuing one-party government—suggests that there should be greater ease and speed in forming a government and promoting reforms (Tăbârță, 2021).

## Implications for governance and economic development

Elites throughout the political history of Moldova have pursued their interests to the detriment of the well-being of society at large (Longhurst, 2020; Konończuk et al., 2017). Elites have often blocked or co-opted the reform efforts of groups comprising the social foundation, incorporating them into their established rules of their game (Baltag & Burmester, 2021). The Moldovan economy suffered significantly from theft of 12% of Moldova's GDP during the banking scandal in 2014 (Marandici, 2021a; Nizhnikau, 2017; Cenusa, 2016). Corruption also remains a key economic problem (Longhurst, 2020).

**Poverty and inequality:** State capture distorts the functioning of the market and makes it harder for governments to implement effective public policies to alleviate poverty (Longhurst, 2020). There has, however, been an overall fall in absolute poverty in Moldova over time (Borgen Project, 2020). Still, Moldova continues to experience various issues with poverty and inequality, with approximately 23% of Moldovans living below the poverty line; and with rural communities, the aged, and women more likely to be in poverty (Longhurst, 2020). In addition, poverty reduction in the country can be attributed in large part to household remittances sent by Moldovans who have migrated abroad (Komm et al., 2021). If remittances were taken out of the equation, the effects of state capture on perpetuating inequalities in Moldova would have been more apparent (Longhurst, 2020).

**Judicial system and corruption:** The results of judicial reform in Moldova and a wide range of anti-corruption projects have been meagre (Lough & Rusu, 2021; Gherasimov, 2019). Under the influence of Sandu and fellow ACUM ministers, the new government in 2019 adopted an ambitious anti-corruption platform, announcing a comprehensive 'de-oligarchisation' package. Key priorities included de-politicising the judiciary and the public prosecution office; cleansing state institutions of corrupt individuals; and ensuring a full investigation of the banking fraud scheme (Corman & Schumacher, 2021).

The shift to a one-party government, after the PAS parliamentary win in 2021 paved the way for Sandu to pursue the promises of fighting corruption justice reform, particularly with the removal

of the Socialists who benefited from the status quo and resisted reform (Minzarari, 2022). The new Moldovan leadership has experienced many challenges, however, in fulfilling its main electoral promises, as the system of rents, informal institutional control and clan practices that was built by the preceding oligarchic regimes has proven robust and resistant to change (Minzarari, 2022).

**State-society relations:** State capture delegitimises not only the government and the parliament, but the state as a whole—and public trust in the state and state institutions. The reforms attempted so far, for example in the judicial sector, have not succeeded in building public trust in the reform process and in the prospect of change (Lough & Rusu, 2021). Transforming the justice sector in Moldova requires changing the operating environment for politicians and businesspeople to the point where they see the value of independent courts for upholding rights (Lough & Rusu, 2021). Society has a vital role to play in this process by holding its leaders to account and demonstrating a sustained demand for independent justice (Lough & Rusu, 2021).

## 2. Political settlement framework

A political settlement has been defined in multiple ways, including: as ‘the balance or distribution of power between contending social groups and social classes, on which any state is based’ (di John & Putzel, 2009, 4; cited in Kelsall, 2018, 6); ‘a common understanding, usually forged between elites, about how power is organised and exercised’ (DFID, 2010, 22; cited in Kelsall, 2018, 6); and the ‘informal and formal processes, agreements, and practices that help consolidate politics, rather than violence, as a means for dealing with disagreements about interests, ideas and the distribution and use of power’ (Laws, 2012, 1; cited in Kelsall, 2018, 6). A recurring theme in political settlement analyses is that **political context and underlying power dynamics influence the effectiveness of institutions and policy implementation** (Kelsall, 2018).

This report adopts ODI’s typology of political settlement, which categorises countries based on:

- Whether the ‘social foundation’ on which the settlement rests is broad and deep or narrow and shallow; and
- Whether the ‘power configuration’ it creates is concentrated or dispersed (Kelsall, 2018).

### 2.1 The social foundation of the settlement

**The social foundation looks at the various groups in society**, whether based on gender, class, ethnicity, religion, or some other identity—and **the extent to which these groups are powerful enough (acting alone or collectively) to shape, disrupt or overturn existing rules** of the political and economic game (Kelsall & Hickey, 2020; Kelsall, 2018). Societal groups comprise different individual or organisational sub-groups, such as politicians, party members, businesses, ethnic networks, trade unions, armed forces, and foreign allies—all of which bring various ‘disruptive resources’ to the coalition (Kelsall, 2018).

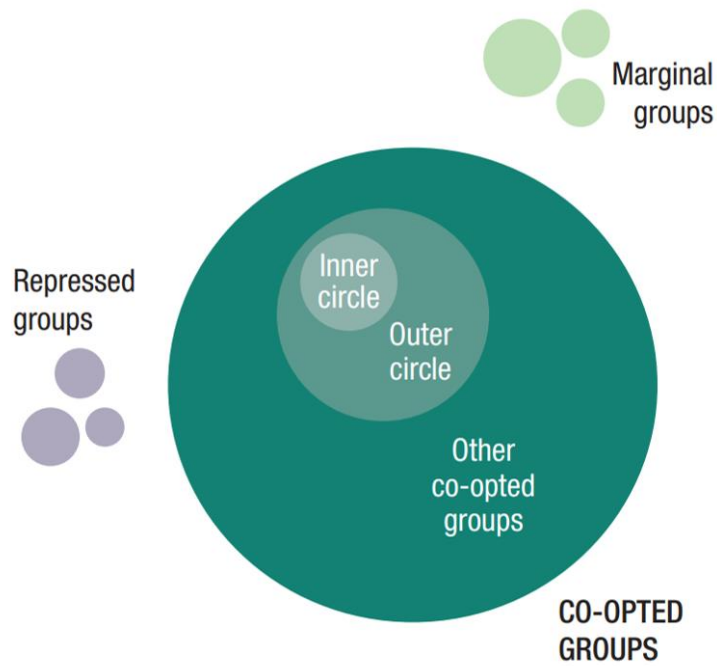
**To maintain the political settlement, governing elites will need to either co-opt or repress the potentially disruptive groups** (Kelsall, 2018). The larger the share of this powerful population (or the broader the social foundation), the more costly it may be to engage in

repression—and the more likely it is that the government will make co-optation its dominant strategy (Kelsall & Hickey, 2020; Kelsall, 2018):

- If the social foundation is broad, with groups that are broad-based and group leaders and/or organisations that cannot easily be bought off, there will be strong incentives for the political leadership to build state apparatus that can effectively deliver inclusive development benefits (see Figure 1).
- If the social foundation is narrow, with few groups or with groups that are easily divisible, with flexible groups leaders and/or organisations, then the government may resort instead to a strategy of political patronage (see Figure 2).

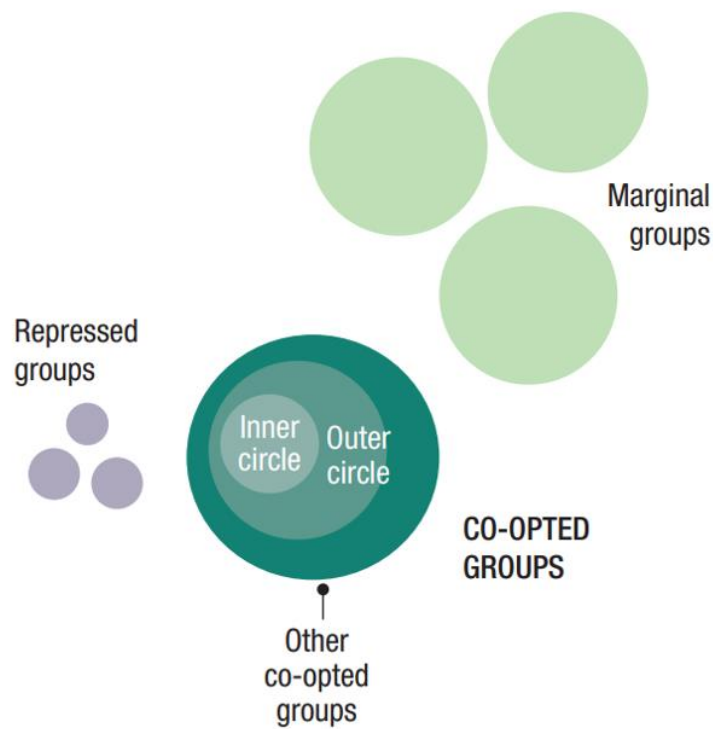


**Figure 1: The political settlement with a broad social foundation**



Source: Kelsall, (2018:7) reproduced under CC BY-NC-ND 4.0.

**Figure 2: The political settlement with a narrow social foundation**



Source: Source: Kelsall, (2018:8) reproduced under CC BY-NC-ND 4.0.

## 2.2 The power configuration of the settlement

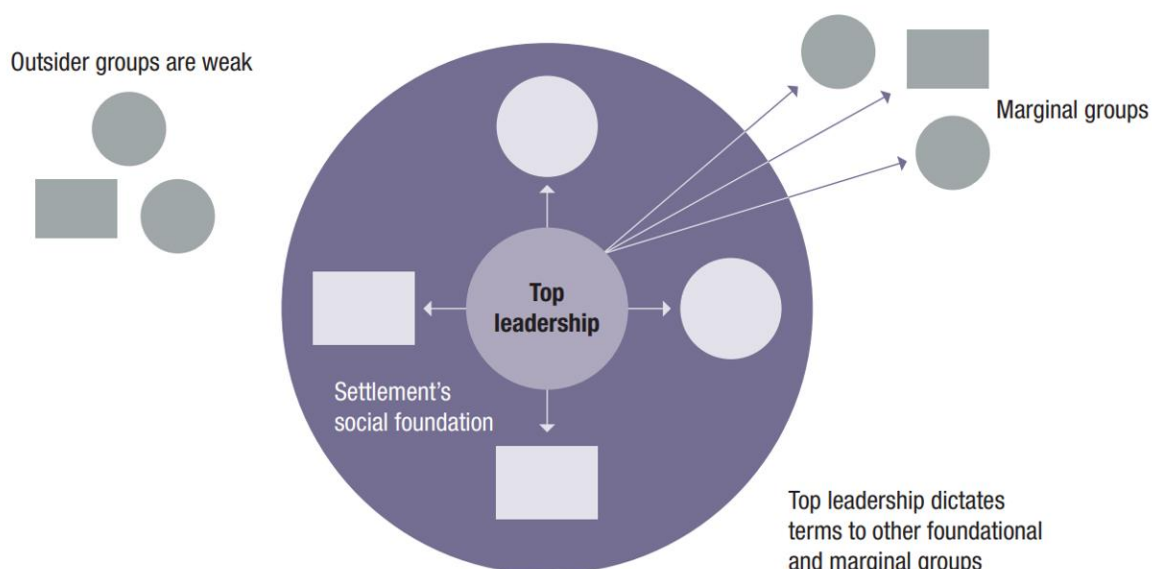
The power configuration refers to how power is arranged or organised within a state—and whether and how the top leadership can make decisions that are binding on the rest of society (Kelsall & Hickey, 2020; Kelsall, 2018):

- Power is concentrated if the top political leader and his/her closest allies are strong relative to their own followers and opponents.
- Power is dispersed if the top political leader and his/her closest allies are weak relative to their own followers and opponents.

The degree of power concentration in the top leadership can vary depending on the political settlement in place. **Where top leadership holds a high concentration of power** and is more easily able to secure consent among groups that comprise the settlement's foundation, **decision-making can be quicker and implementation more predictable** (see Figure 3) (Kelsall, 2018). **This does not necessarily translate, however, into better outcomes** (Kelsall, 2018).

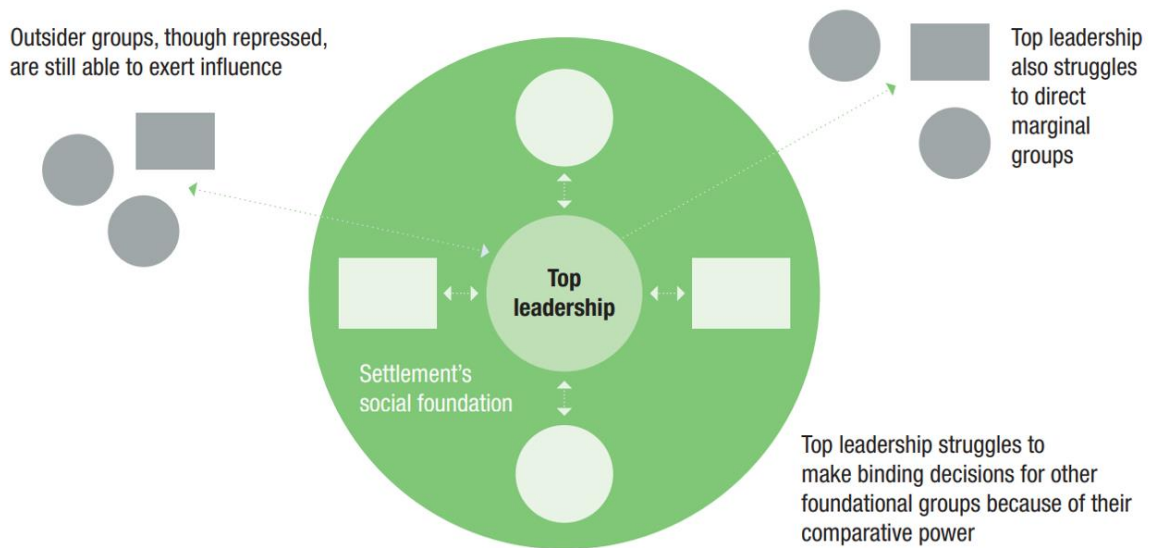
In 'dispersed' political settlements, by contrast, the top leadership cannot dictate terms (See Figure 4) (Kelsall, 2018). Decision-making instead involves an extensive process of negotiation, bargaining and deal-making, often relying heavily on material incentives (Kelsall, 2018). Under such circumstances, the ambitions of top leadership may be considerably diluted; and implementation is less straightforward (Kelsall, 2018).

**Figure 3: Concentrated power configuration**



Source: Kelsall, (2018:9) reproduced under CC BY-NC-ND 4.0.

**Figure 4: Dispersed power configuration**

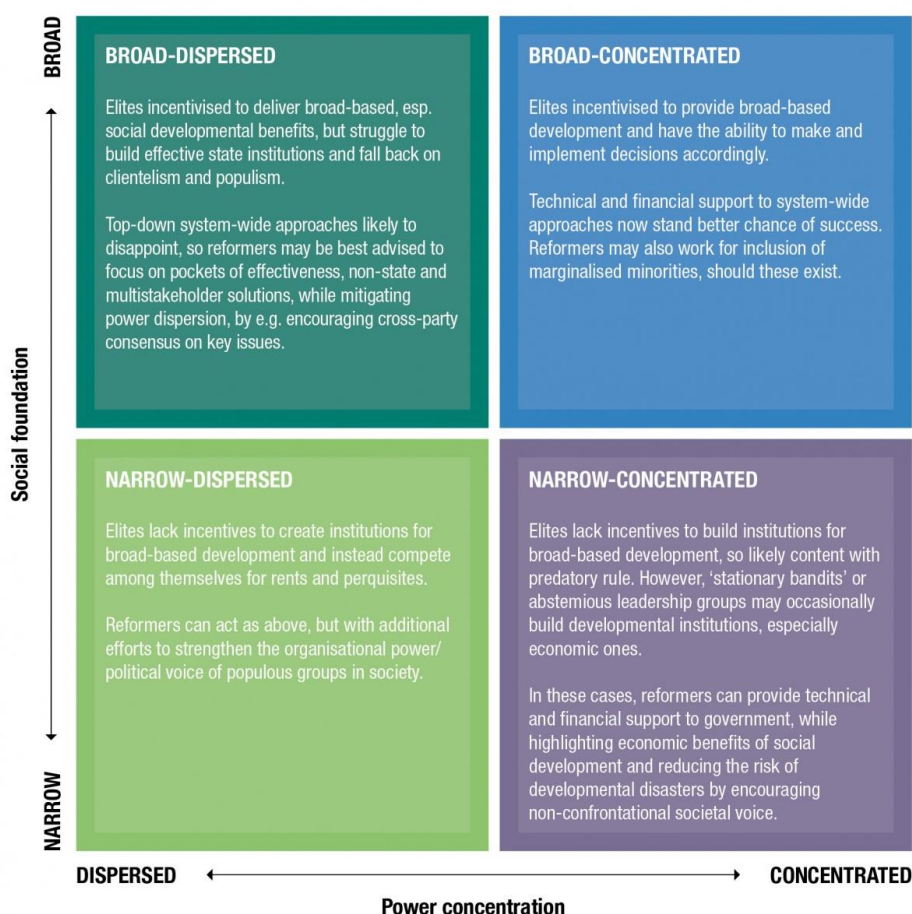


Source: Kelsall, (2018:9) reproduced under CC BY-NC-ND 4.0.

## 2.3 Types of political settlement

The varying combinations of the social foundation and power configuration dimensions produce four different 'types' of political settlement: 'broad-dispersed', 'broad-concentrated', 'narrow-dispersed' and 'narrow-concentrated' (see Figure 5). Each country's political settlement produces a particular context within which donors operate (Kelsall & Hickey, 2020; Kelsall, 2018).

**Figure 5: Political settlement matrix**



Source: Kelsall, (2018:12) reproduced under CC BY-NC-ND 4.0.

### 3. Political history in Moldova

This section provides an overview of Moldova’s post-independence political history.

#### 3.1 Independence and political pluralism (1991-2000)

The Republic of Moldova gained its sovereignty in 1991, after the fall of the USSR. The majority of the population speaks Romanian and wanted to join Romania (Van Duyne & Quirke, 2019). The Russian speaking minority living east of the Dniester river revolted in 1992, with Russian armed support, and declared its own state: Transnistria, recognised by no other state but Russia (Van Duyne & Quirke, 2019).

**Post-independence, Moldova embarked on a triple transition: political elites sought to simultaneously build democracy, capitalism, and a modern state (Marandici, 2021a):**

- The mass privatisation of the early 1990s consolidated pre-existing wealth accumulation trends (Marandici, 2021a).
- The 1990s were also marked by institutional weakness and a weak civil society (Komm et al., 2021; Dragoman & Luca, 2020).
- At the same time, Moldova developed a genuine multi-party system, with voters removing at each election the then ruling party or coalition from office. The Moldovan people experienced this pluralism not as a democracy, however, but as chaos and inefficiency (Dragoman & Luca, 2020; van Duyne & Quirke, 2019).

### 3.2 Competitive authoritarianism (2001-2009)

**The chaotic decade of the 1990s, characterised by political pluralism and institutional weakness, culminated with the defeat of the democrats and the ascendance of the Party of Communists of the Republic of Moldova (PCRM)** (Komm et al., 2021; Marandici, 2021a).

The dominance of the PCRM during the period 2001 to 2009 resulted in a relatively stable political scene, yet this was at the expense of democratic development (Kosárová & Ušiak, 2017). **The PCRM controlled all state institutions and restricted political competition** (Komm et al., 2021; Marandici, 2021a). The presidency of Vladimir Voronin over this period resembled a 'competitive authoritative' regime, in which formal democratic institutions exist but the incumbent alters the rules of the game to gain an unfair advantage over opponents (Marandici, 2021a; Kosárová & Ušiak, 2017).

**During the competitive authoritarian era, the decision-making power rested with the president and his advisers, who used it to their business advantage** (Marandici, 2021a).

Given the PCRM's absolute majority in the Parliament, the party was able to rule without requiring a coalition (Kosárová & Ušiak, 2017). At the same time, Moldovan CSOs enjoyed relative freedom during this period (Komm et al., 2021).

### 3.3 The 'Twitter revolution' and the rise of the oligarchs (2009)

**Parliamentary elections in 2009 demonstrated the fragility of the Communist rule:** the PCRM obtained again the absolute majority of parliamentary seats despite pre-electoral polls indicating considerably different results (Kosárová & Ušiak, 2017). As a result, the opposition considered the elections to be rigged and did not recognise the results (Kosárová & Ušiak, 2017). Street protests emerged, escalating into violent demonstrations and attacks against governmental institutions. **This was called the 'Twitter revolution', which brought about the end of competitive authoritarianism** (Marandici, 2021a; Kosárová & Ušiak, 2017). The decline of the PCRM continued, with defection of some of its members to the Party of Socialists (PSRM), which displaced the PCRM as the major left-wing party in 2014 (Marandici, 2021b).

**The fall of competitive authoritarianism was also supported by an anti-Communist coalition, backed by the West and major business magnates, referred to as oligarchs** (Marandici, 2021b). Vladimir Plahotniuc, the second wealthiest businessman in the country, benefitted from close ties with Igor Dodon, PCRM's Minister of the Economy (Marandici, 2021a; Bolkvadze, 2020). Plahotniuc backed the Democratic Party (DPM), which was essentially a front for oligarchic businesses (Bolkvadze, 2020; Longhurst, 2020). The party's standing was enhanced through the migration of MPs from other parties who defected in substantial numbers in 2014 (Longhurst, 2020). Vladimir Filat, the third richest businessman, also set up his own party

to challenge the PCRM's authoritarianism: the centre-right Liberal Democratic Party (PLDM) (Marandici, 2021a). From 2008 onwards, Filat's well-organised PLDM staged rallies across the country, challenging Voronin's regime (Marandici, 2021a). Filat served as prime minister from 2009-2013.

### 3.4 Oligarchic pluralism and the banking scandal (2009-2014)

After the Twitter revolution, the DPM and PLDM, combined with the unaffiliated Liberal Party to form the Alliance for European Integration (AIE) (Marandici, 2021a). The AIE, which came to power in 2009, inherited a **broken administrative and judicial system**, subject to state coercion during the PCRM era, which proved **incapable of reining in the rise in power of the oligarchy** (Marandici, 2021a). **Plahotniuc and Filat became allies and key players in Moldovan politics, but there was also a constant struggle between them for political influence, control of the state apparatus, and business assets.** This period of difficult cohabitation is known as the era of 'oligarchic pluralism' (Konończuk et al., 2017; Cenusa, 2016). Even though both Plahotniuc and Filat seemed to remain equally strong, Plahotniuc held greater sway over time, particularly among the judiciary and partly in the law enforcement agencies (Calus, 2016).

The Moldovan oligarchs, while espousing well-crafted pro-Western narratives, adopted a transactional approach to politics, pursuing private gain rather than the public interest (Marandici, 2021a). **In 2014, they carried out the so-called "robbery of the century":** a major fraud—which involved state-owned and private banks, hundreds of offshore companies, and tens of politicians and bureaucrats—resulting in the **theft of over one billion U.S. dollars (equivalent to 12% of Moldova's GDP)** (Marandici, 2021a; Nizhnikau, 2017; Cenusa, 2016). The theft nearly propelled the country into default; placed a heavy fiscal burden on future generations; undermined trust in democratic institutions; and generated a backlash against the ruling oligarchs (Marandici, 2021a; Nizhnikau, 2017; Cenusa, 2016).

### 3.5 Collective action and de-oligarchisation (2015)

**The banking scandal triggered large-scale popular protests against the regime** in 2015, which triggered the start of the de-oligarchisation process (Marandici, 2021a; Nizhnikau, 2017). Leftist and centre-right groups incorporated the anti-oligarchic theme into their discourses, resulting in an **alliance between protesters with pro-European views and political parties with pro-Russian sentiment**—and transcending the ethnolinguistic divide that had shaped the party system since independence (Marandici, 2021a; Cenusa, 2016). Both groups demanded that the perpetrators of the fraud be brought to justice (Marandici, 2021a).

The governing coalition was also threatened by internal discrepancies and disputes between the two oligarchs which resulted in the fall of the government in June 2015. The subsequent coalition was formed by democrats, liberal democrats and the Liberal party (Kosárová & Ušiak, 2017). Filat, the head of the largest faction in the coalition, who served as prime minister between 2009 and 2013, was charged with accepting US\$260 million in bribes. He was arrested in Parliament in October 2015, accused further of masterminding the bank fraud and sentenced to nine years in prison (Kosárová & Ušiak, 2017; Nizhnikau, 2017).

### 3.6 State capture (2015-2019)

**De-oligarchisation did not lead to democratisation nor to the recovery of the stolen resources**, as civil society and political activists had expected (Marandici, 2021a). Instead, **Filat's arrest led to the concentration of political and economic power in Plahotniuc, who maintained control over all of the state's main institutions** (Rosca, 2018; Konończuk et al., 2017). The DPM and its wider network was increasingly able to shape the rules of the game decisively with diminished competition (Longhurst, 2020). The overwhelming scale of Plahotniuc's influence amounted to 'state capture', whereby state institutions serve only as a source of income and protection for the ruling political and business classes (BTI, 2022). By 2015, he had assumed almost full control of the state apparatus (including the government, parliamentary majority and judiciary)—filling positions with either his cronies or individuals too weak to counter his operations (Longhurst, 2020; Rosca, 2018; Konończuk et al., 2017; Calus, 2016). Plahotniuc also gained control of the media, which was used to launch campaigns aimed at discrediting the opposition (Calus, 2016). These developments produced **disillusionment among the public, including disillusionment with public mobilisation and protest as a form of opposition** (Calus, 2016).

For further discussion of state capture, see section 5.1 under Power configuration.

### 3.7 Electoral reform and pro-European and pro-Russian cleavages (2017-2019)

Pavel Filip, a member of the DPM, was nominated for prime minister in January 2016, however, his nomination faced numerous anti-oligarchic and anti-government demonstrations, due to his close affiliation with Plahotniuc (Kosárová & Ušiak, 2017; Calus, 2016). Despite protests, Filip was designated prime minister (Kosárová & Ušiak, 2017).

The first direct presidential elections were held in December 2016 and they led to the designation of Igor Dodon from the PSRM (Kosárová & Ušiak, 2017). **The election of a Socialist and pro-Russian candidate as president** marked a new turn in Moldovan politics—in contrast with the pro-Western attitudes of the previous government (Dragoman & Luca, 2020). The presence of Dodon **allowed Plahotniuc and the DPM regime to maintain reluctant Western support out of fear of establishing a pro-Russian government in Moldova** (Nizhnikau, 2017). Both **Plahotniuc and Dodon had an interest in informally cooperating** and maintaining the system in order to prevent the opposition from taking power (BTI, 2022).

**Power concentration and state capture were consolidated further by changes to the country's electoral system in 2017**, based on the DPM's proposal to create a single member district or first past the post system (Longhurst, 2020; Nizhnikau, 2017). Parliament approved Law no. 154, which changed the electoral system by moving from the proportional voting system to a mixed one, combining a majority and proportional system. The change to the electoral system was criticised by the opposition and civil society, who organised protests against these changes (Cornea & Mandaji, 2019). Their view was that such a mixed electoral system distorts parliamentary representativeness (ideological, gender, selective ethnic representation); and favours the parties in the government with larger resources and non-transparent financing (Cornea & Mandaji, 2019). The mixed electoral formula has largely favoured the DPM; while the

PSRM has suffered, losing priority in regions that are considered loyal to the pro-Russian left-wing parties (Cornea & Mandaji, 2019).

The electoral reform has also enhanced Plahotniuc's regime's ability to maintain geopolitical and identity cleavages, which divide the country, and allow it to pose as a pro-European force (Nizhnikau, 2017). To achieve this, however, the government also has to continue with a combination of stabilisation and populist measures (Nizhnikau, 2017).

### 3.8 Removal of the oligarchs and a one-party government (2019-ongoing)

**This system of informal cooperation between Plahotniuc and Dodon collapsed after the parliamentary elections in June 2019** (BTI, 2022). The PSRM and the centre-right pro-European opposition from the ACUM bloc formed a tactical alliance in order to oust from power the DPM and its leader Plahotniuc (BTI, 2022; Hill, 2021). The ACUM bloc is made up of the Party of Action and Solidarity (PAS) and the Platform for Dignity and Truth (DA). This led to the **removal of power of Plahotniuc and the formation of PAS leader, Maia Sandu's government** with Sandu as Prime Minister (BTI, 2022; Hill, 2021). **In July 2019, parliament voted to abolish the so-called mixed voting system**, widely seen as favouring the former ruling party, restoring the former proportional voting system (Necsutu, 2019). Deputies also voted to reduce the maximum amount of donations that political parties can receive in an election campaign (Necsutu, 2019).

**The ACUM's ambitious reform programme, particularly the de-politicisation of the judiciary, met with resistance from the Socialists. The government lasted only five months**, falling to a vote of no confidence, passed by the Socialists in November 2019. With the support of the DPM, they formed their own government led by Ion Chicu (BTI, 2022).

**In November 2020, Maia Sandu won the presidential election, on the back of an anti-corruption platform** and, more specifically, a pledge to confront state capture and improve societal prosperity (BTI, 2022; Longhurst, 2020). Although the prerogatives of the head of state in the country are very limited, this was a **major victory for the pro-European opposition** (BTI, 2022). The election campaign and results reflect a reality far more complex, however, than a simple contest between pro-Russian and pro-Western proxies (Hill, 2021). There are **common frustrations over the failure of politicians from both pro-European and pro-Russian camps** over the past two decades to address ongoing poverty, corruption, lack of opportunity, population loss due to outmigration, and weak rule of law (Hill, 2020). These problems were exacerbated by the failure of the Chicu government in dealing with the coronavirus pandemic (Hill, 2020). Sandu's resounding victory shows that it is possible to build a new **coalition joining centre-left, Russophone, and diaspora voters to a traditional centre-right, Romanophone political movement in support of practical economic and judicial reforms** (Hill, 2021).

**The oligarchic regime, which had already begun to erode, was further eliminated in the July 2021 parliamentary elections, in which PAS won the majority of the vote and seats**, with PAS party member Natalia Gavrilița serving as Prime Minister since August 2021 (Tăbârță, 2021). It is the first time a right-wing party has obtained a parliamentary majority (Tăbârță, 2021). **These election results have created a one-party government, which can facilitate substantially the formation of government and the promotion of reforms** (Tăbârță, 2021). It has also indicated that Moldovan society seeks to evolve according to the democratic European



model of state development, providing a boost in relations between Moldova and the EU (Tăbârță, 2021). At the same time, the country's relationship with Russia will need to be managed effectively by the new political regime (Tăbârță, 2021).

## 4. Social foundation in Moldova

In Moldova, groups and organisations with potential or actual influence in policy-making processes include: reformist actors; CSOs; diaspora groups and associations; youth; grassroots movements; and coalitions based on common grievances.

### 4.1 National identity cleavages and issue-based commonalities

**Since gaining independence, the Moldovan people have been torn between a Romanian identity and the idea of Moldovenism** (which was promoted by the Soviet Union, and is still used by Moscow to justify its influence in the country) (Komm et al., 2021). The geographic location of the country between Ukraine, which falls under the Russian sphere of interest, and Romania, which has been an EU member state since 2007, also produces a collision between Russia and the EU (Kosárová & Ušiak, 2017). Both external actors support certain parties or actors within the Moldovan political scene in order to promote their strategic goals (Kosárová & Ušiak, 2017).

**Narratives of Moldovan political parties have traditionally focused primarily on geopolitical issues, with less attention to social or economic problems** (BTI, 2022). Political parties tend to appeal to geopolitically (including historically and culturally) defined notions of 'left-wing' (pro-Russian) and 'right-wing' (pro-Western) (BTI, 2022). The geopolitical division of the electorate is also very pronounced, with limited changes in alignments (BTI, 2022). **The absence of an appealing and inclusive model of identity, based on citizenship, to which all Moldovans can subscribe, makes it difficult to develop a cohesive society** in Moldova (BTI, 2022; Komm et al., 2021). This makes it difficult to create a strong state on the basis of nationalism, which in turn can undermine loyalty of citizens to the government and the accountability of the government to its people (Kosárová & Ušiak, 2017).

At the same time, **politicians have instrumentalised the geopolitical divide in order to increase social polarisation for their own political purposes and vested interests** (Boulègue et al., 2018). Competitive elections have exploited these existing cleavages: the election of Dodon, for example, kept identity cleavages at the top of the political agenda, distracting attention from the regime's domestic policies and manipulations, rampant corruption, and lack of reforms (Nizhnikau, 2017).

**The crosscutting cleavages structuring the party system have been overcome in recent years, with issues such as state capture, the banking scandal and corruption gaining in salience** on the public agenda (Marandici, 2021b; Tăbârță, 2021). This produced a **cross-ethnic, trans-ideological collective action against oligarchic state capture** (Marandici, 2021b).

Prior to the scandal, the electorate voted primarily according to geopolitical preferences (Tăbârță, 2021). By constructing civic, urban, or national identities with the help of populist rhetoric more recently, political parties have been able to appeal to most Moldovan voters; whereas the prior

geopolitical mobilisation strategies tended to exclude larger parts of the Moldovan electorate (Gohlke, 2021). **These newer parties have also sought to incorporate voters' most urgent worries into their mobilisation strategies** in the form of high levels of corruption, high unemployment rates, and low incomes and pensions (Gohlke, 2021).

A major advantage in Sandu's post-electoral prospects is the fact that she waged a centrist, relatively non-ideological, and non-geopolitical campaign. **Sandu's central theme in her election campaigns have been the fight against corruption, which Moldovans from all parts of the political spectrum can support** (Hill, 2021). The further unprecedented parliamentary majority of a right-wing party in the July 2021 elections is due in part to the **partial disappearance of the geopolitical cleavage**, caused by the banking scandal and growing concern over corruption-related matters among the Moldovan society (Tăbârță, 2021).

## 4.2 Civil society

Even though some forms of civic associations during the Soviet era (such as associations of women, labour unions, environmental groups and others) enjoyed a degree of independence from the state and the communist party, the modern civil society in Moldova began to emerge after the establishment of an independent Moldova (Komm et al., 2021). The vast majority of CSOs exist in the form of an association (Komm et al., 2021). According to the CSO meter, there are 12,000 CSOs in Moldova, of which half are active. They are mostly concentrated in the capital, Chisinau, and are highly dependent on foreign funding (Komm et al., 2021).

**The practical influence of civil society on political decision-making remains limited** (BTI, 2022). It is still uncommon for Moldovans to be active members of a community organisation or association; and they are generally reluctant to engage in collective action—a legacy of the Soviet era (BTI, 2022). Civil society thus has limited effectiveness, with **inadequate power in the past to provide a counterbalance to vested interests** (BTI, 2022; Tudoroiu, 2015).

**Individual forms of activism began emerging, however, in the early 2000s**, coalescing into movements in the 2010s (Komm et al., 2021). **An important milestone affecting the CSO environment and mindset of many activists occurred in 2009, when widespread public protests against the election results led to a political crisis, during which the PCRM was replaced by a nominally pro-European coalition** (Komm et al., 2021). Disillusionment over the banking scandal and the subsequent failure of ensuing protests to bring about democratisation and accountability led to disappointment and disillusionment among activists and the general public (Komm et al., 2021).

**Low levels of public trust in CSOs:** According to the CSO meter 2020, only 29% of Moldovans trust CSOs, slightly higher than trust in political parties (21%) (see Komm et al., 2021). This may be due to:

- The perception that CSOs are external creations that are **dependent on donor funding** (Komm et al., 2021);
- The **concentration of CSOs in the capital**, which undermines trust in their ability to take into account local context, characteristics and needs (BTI, 2022; Komm et al., 2021);
- **Low levels of attention to community engagement** (Komm et al., 2021); or

- The **entanglement of some CSOs in politics** during recent years (Komm et al., 2021). After 2009, some civil society representatives entered the government institutions and CSOs started to be seen as part of the political game by the wider society (Komm et al., 2021). After each social uprising, a younger generation of politicians and civil servants entered state institutions and legislatures (Gherasimov, 2019).

**Many Moldovan politicians and major parties also traditionally treat civil society with distrust or open hostility**, in some cases openly accusing organisations that have been critical of government (BTI, 2022). A proportion of the political elite (particularly left-wing parties) have accused CSO members of acting in the interests of external actors (BTI, 2022). In recent years, some of Moldova’s political leaders also attempted to limit the space for local civil society, proposing unfavourable legislative changes and launching verbal attacks against its leaders (Komm et al., 2021).

**Emerging civil society:** A source of optimism has been the emergence of new civil society actors, such as various **grassroots initiatives, social movements and informal groups of activists that respond to issues that affect people across identity and geopolitical divides** (Komm et al., 2021). Since the mid-2010s coalitions and platforms have become more prominent; and more established CSOs have begun to get involved: an example is the Urban Civic Network, a horizontal network of **urban activists**, initiatives and CSOs that emerged in 2015 (Komm et al., 2021). Leveraging their professional skills, support from ordinary citizens, networks and coalitions, urban activists were able to get several issues added to the public agenda in advance of the 2018 mayoral elections in Chisinau (Komm et al., 2021). Both mayoral candidates who reached the second round signed the declaration proposed by activists, with commitments related to transparent public procurement and expenditure; a code of ethics for elections; access to information, and a permanent platform for an open dialogue between the authorities, civil society and the private sector (Komm et al., 2021).

The new Law on non-commercial organisations adopted in 2020 also gives civil society development a boost: it aims to simplify the registration procedure; and eliminate registration fees and association restrictions for public servants (Komm et al., 2021). It introduces a flexible system of internal organisation and sets fair play rules for state funding of CSOs (Komm et al., 2021).

### 4.3 Political parties and elites

**Moldova has yet to establish an effective modern party system: political parties have resembled rather movements grouped around charismatic leaders** and the decisive factor in parliamentary elections has often been the reputation of politicians instead of political programmes (Gherasimov, 2019; Kosárová & Ušiak, 2017). This was **most pronounced during the period of oligarchic pluralism** when two crucial political parties—the DPM and PLDM (Democrats and Liberal-Democrats)—were almost completely taken over by their oligarchic ‘owners’, Plahotniuc and Filat, respectively (Konończuk et al., 2017). **Pre-electoral promises were fairly populist, and there was no dialogue between the ruling elite and voters**, who were extremely distrustful against their representatives (Kosárová & Ušiak, 2017).

Elites have continued to perceive their term in office as a means of self-enrichment or for preserving their vested interests, rather than pursuing a sustainable new vision for the country that would conflict with their own interests (Gherasimov, 2019). **Elites who have strong vested**

**interests in preserving the status quo have been termed the ‘Old Guard’:** for the most part, these are former Soviet bureaucrats who maintained their positions or influence after the collapse of the USSR and retained their connections with businesspeople in the emerging private sector who became the current oligarchs (Gherasimov, 2019).

**Political parties in Moldova have been ineffective as mechanisms of elite renewal (turnover) and democratic consolidation,** having traditionally failed to push forward competitive and competent political leaders, despite new party candidates at each election (Gherasimov, 2019). **Political parties in the country also have yet to learn how to effectively engage with civil society** (Gherasimov, 2019). Mobilisation tools, such as protests and demonstrations, have been a political party’s main means of engaging citizens on mass, but as noted, there has been growing fatigue and disillusionment with this form of political engagement, resulting in increasingly low turnout (Gherasimov, 2019). Many social constituencies have come to reject political parties altogether as mechanisms to aggregate social preferences (Gherasimov, 2019). Moldovans are rarely interested in joining political parties as a stepping-stone into politics (Gherasimov, 2019).

#### 4.4 (Potential) Reformist leaders and actors

Rigid political systems, informal institutional controls and financial barriers in Moldova effectively block the entry of new politicians in regular election cycles (Gherasimov, 2019). **The oligarchic system distorted the level playing field for emerging new political leaders:** oligarchs monopolise the media space, for example, raising the costs of campaigning, limiting the diversity of political voices and discouraging smaller new parties from joining the debate (Gherasimov, 2019).

**‘Domestic Reformers’ are emerging local leaders active in CSOs, think-tanks and international institutions** (such as the World Bank) **that provide the possibility of elite renewal** (Gherasimov, 2019). They have often benefited from an overseas education; are untainted by traditional politics, with little or no prior political experience; and are highly critical of the old elites (Gherasimov, 2019). **The ‘Old Guard’ often attempts to co-opt this group by inviting them to join existing or new political parties,** especially around election time, when elites are in need of an image boost (Gherasimov, 2019). Some Domestic Reformers accept this invitation with the view that they can create change from within the system (Gherasimov, 2019).

**Domestic Reformers usually tend to gain clout following a social upheaval or revolution,** such as the political crisis in 2009 and the Twitter Revolution, **which creates a political opening for them to take part in high-level politics** (Gherasimov, 2019). After each social uprising, a younger generation of politicians and civil servants have entered state institutions and legislatures (Gherasimov, 2019). In 2009–10, the PLDMs encouraged talented Domestic Reformers to fill public administration roles and join the newly created PLDM, which later led the pro-European ruling coalition (Gherasimov, 2019).

**With the support of EU financial assistance, highly-skilled professionals filled senior adviser posts and civil service roles** (Gherasimov, 2019). Moldova’s external (mainly Western) partners have implemented numerous development projects that aim to **increase the competences and expertise of civil servants and strengthen civil society, from which public sector employees are often recruited** (BTI, 2022). Such knowledge and expertise is often not used, however, as political decisions are still made primarily in the interests of specific

political and business groups (BTI, 2022). The **aspirations of reformers collide with domestic political reality in Moldova, which often results in them compromising and conforming to 'old habits' or leaving politics and returning to the civil society sector** (Gherasimov, 2019). Turnover in civil service personnel thus tends to be high, due also in part to low wages and widespread nepotism that undermines the motivation and effectiveness of administrative officials. This in turn **jeopardises institutional memory** and constrains the creation of an effective administrative apparatus that is able to learn from its own experience (BTI, 2022).

Changes in political leadership, political culture, behaviour and mindset require more time than it does to set up new institutions (Gherasimov, 2019). **Domestic reformers and new types of elites have thus far been too few in number to promote a different mode of governance** in Moldova that would have a substantive impact on society (Gherasimov, 2019). Whenever potential reformist leaders, including youth and diaspora (see below), have had a role in government, they have struggled to deliver sustainable change (Gherasimov, 2019). This in turn **can result in disillusionment among the electorate and general public and distrust**, making it even more difficult for new leaders to pursue reforms (Gherasimov, 2019).

## 4.5 Youth

**Few political parties in Moldova have invested in the development of their youth political organisations to develop a new generation of elites** (Gherasimov, 2019). Instead, young people with an interest in politics are mostly only used as cheap labour during electoral campaigns, for example in the printing and distribution of promotional materials, with little opportunity to develop the skills needed to build an effective career in politics (Gherasimov, 2019).

At the same time, young people are aware that party membership and hard work are not prerequisites for engagement in politics (Gherasimov, 2019). **Although young people do not vote in large shares and do not participate much in voluntary associations, including political parties, they engage in politics in the form of street protests** (Dragoman & Luca, 2020). Visible, active and highly vocal young people managed to contest parliamentary elections in April 2009 in order to force the indirect election of a pro-European president (by the parliament) (Dragoman & Luca, 2020). Whereas television has traditionally been the most important source of information for almost everybody, the expansion of the internet in Moldova has given young people new outlets to avoid state-owned mass media controlled by the PCR or media outlets controlled by oligarchs (Dragoman & Luca, 2020). The 'Twitter revolution' involved a large mobilisation through SMS sent by mobile phones and through social-media channels (Dragoman & Luca, 2020).

**There has, however, as noted been growing fatigue with protests and demonstrations** as a form of political engagement in Moldova (Gherasimov, 2019). The reinstatement of direct presidential elections (popular vote) in 2016<sup>2</sup> created a means to channel people's dissent away from the streets and into electoral 'voice'—serving as a form of co-option of the systemic opposition (Nizhnikau, 2017).

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<sup>2</sup> Moldova's Constitutional Court ruled in March 2016 that the president should be elected by popular vote, reversing a 16-year-old constitutional amendment that gave lawmakers the power to choose the head of state. <https://www.rferl.org/a/moldova-sitches-to-direct-presidential-elections/27589691.html>

**Youth who seek to enter politics as elected and appointed officials often enjoy high levels of trust as they are perceived to be as ‘untouched’ by old-style politics** (Gherasimov, 2019). These policymakers have the potential and capacity to deliver change in Moldova. However, given the persistence of political conditions susceptible to corrupt practices, and limited opportunities for young professionals, **youth can be co-opted by political parties or oligarchs that promise material benefits and respectable positions in state institutions** (Gherasimov, 2019). Under these circumstances, co-opted individuals cannot pursue policies that conflict with the private interests of their patron, effectively becoming an extension of the ‘Old Guard’ (Gherasimov, 2019).

## 4.6 Diaspora

The mass migration of Moldovan citizens abroad has led to the creation of a large Moldovan diaspora living in the West (mainly in the European Union, United Kingdom and United States), who are becoming an **increasingly vocal factor of change** (BTI, 2022; Tăbârță, 2021).

**The impact of the Moldovan diaspora vote has been gaining in significance.** Beginning in the 2010 elections (presidential and parliamentary), the number of voters in the diaspora became significant, with their vote increasing in weight and determining the final results of the elections (Tăbârță, 2021). The key source of Sandu’s victory in the **2020 presidential election** was the unprecedented scale of votes by the Moldovan diaspora. **They turned out in record numbers** (particularly in European countries), **with over 90 percent of their vote going to Sandu** (Hill, 2021). **Similarly, diaspora votes contributed significantly to the dramatic political change in the 2021 parliamentary election**, in which a right-wing party obtained a parliamentary majority for the first time (Tăbârță, 2021). The emergence of the diaspora as a structural electorate and the lessening of the geopolitical cleavage (discussed above) are the key factors that produced this unprecedented change (Tăbârță, 2021).

Electoral reform provisions in 2019 included an amendment that allows Moldovan citizens from abroad to finance parties and extends the voting procedures in the diaspora to two days, to allow more people to get to polling stations to vote (Necsutu, 2019).

### Returning diaspora

**After each social uprising and period of upheaval**, civil society leaders have created new political platforms or joined existing ones; and members of the **diaspora have gained interest in returning home for a career in politics** or domestic investment opportunities (Gherasimov, 2019). Returning diaspora, who have spent periods abroad for study or employment, **bring with them a new mindset and principles on how to govern more effectively and implement sustainable reforms** (Gherasimov, 2019). They are also more likely to **have the resources to finance their own political campaigns and skills to secure electoral support. As such, they are more resistant to co-option** by the Old Guard (Gherasimov, 2019). The Moldovan diaspora can be considered to be a new political class in formation (Gherasimov, 2019).

## 5. Power configuration in Moldova

Moldova has experienced a wide range of power configurations: multi-party system; competitive authoritarianism; oligarchic pluralism; captured state, while also experiencing collective action,

political protest and upheaval—and most recently, a one-party government. As a failed authoritarian regime, Moldova has at the same time been an unstable, undemocratic regime (Dragoman & Luca, 2020). These configurations have produced varying degrees of power concentration, with the most extreme form of power concentration evident during the period of state capture. The country has also experienced various coalition governments and split parliamentary and presidential elections, which have produced challenges for coordination and cooperation.

## 5.1 State capture

State capture is a legacy of the USSR's collapse. Specifically, the ways in which power and ownership were appropriated in the early 1990s resulted in the rise of oligarchs and the embedding of oligarchic economies (Longhurst, 2020). The prevalence of one-man political parties—a small inner circle of trusted individuals around a single leader—was a key aspect of the Soviet system (Gherasimov, 2019). The absence of sound and transparent party finance regulations and robust public institutions after the dissolution of the Soviet Union helped to solidify this model (Longhurst, 2020; Gherasimov, 2019). **Leaders, who were able to mobilise financial capital, often from obscure sources, became the 'new' elites' in an independent Moldova** (Gherasimov, 2019). **The combination of state institutions with weak administrative capacity**, incapable of implementing institutional and policy reforms, **coexisting with a high concentration of vested interests produced a state highly susceptible to capture** (Rosca, 2018; Tudoroiu, 2015). In addition, **civil society did not have sufficient power to counterbalance** the weight of concentrated vested interests (Tudoroiu, 2015).

**The elements of 'state capture' started to develop during the ruling of the Communist Party and grew significantly with the rise of oligarchy** (Konończuk et al., 2017; Cenuşa, 2016). The oligarchs are the best-organised group in a poorly managed state with ineffective and corrupt bureaucracy and know how to exploit their competitive advantages (Konończuk et al., 2017). The country's transition toward state capture has occurred **at the expense of genuine political pluralism and independent state institutions** (Konończuk et al., 2017). In turn, the restriction of political pluralism consolidates the 'capture' of specific state institutions (Konończuk et al., 2017).

Oligarchs in Moldova, with powerful private interests, have been able to seize core state functions and distort business environments to the detriment of public interests (Longhurst, 2020). **Plahotniuc and Filat, the oligarchic 'owners' of DPM and PLDM, respectively were able to block institutional reforms that would threaten their private interests** and limit their capacity to extract rents from the state (Konończuk et al., 2017; Tudoroiu, 2015).

State capture differs from a standard oligarchic system where multiple oligarchs exist and compete, occurring when a single oligarchic network seizes control of state functions (Longhurst, 2020). **When the oligarchic Filat/Plahotniuc tandem was dismantled, due to the arrest of Filat, the Democratic Party's government controlled by Plahotniuc significantly increased its power** (Konończuk et al., 2017). **State capture became extreme with a single oligarchic network shaping the rules of the game** in political, economic, social and to a degree foreign policy terms (Longhurst, 2020). Plahotniuc managed to concentrate unparalleled political and economic power in his hands through capture of the key functions of the state—the judiciary, legislative, executive and public administration (Corman & Schumacher, 2021; Longhurst, 2020).

In 2016, Plahotniuc's DPM gained full control of the government (Corman & Schumacher, 2021). State institutions and the management of state-owned companies underwent an overhaul of personnel aimed at removing the PLDM's nominees and replacing them with people linked to Plahotniuc's clan (Calus, 2016). In Parliament, the DPM also lured MPs to their party through a mix of 'sticks and carrots' (Konończuk et al., 2017).

The system of controlling the state apparatus and the Moldovan political scene created by Plahotniuc was based in particular on four complementary main pillars (Calus, 2016):

- Clan
- Business and financial power
- Administration of justice
- Media

### Clan

Moldovan society attaches great significance to family ties and clan relations (BTI, 2022). This extends to ruling elites: it is considered natural to involve clan members in the activities of political leaders (at the central government and local authority levels), resulting in nepotism and favouritism (BTI, 2022). **Plahotniuc's control of the state apparatus** and the Moldovan political scene was based in part on clan: **many of his close aides have close kin relations with him** and held key positions in politics and business (usually owing to his patronage) (Calus, 2016).

### Business and financial power

**Moldova is characterised by a high concentration of economic power** (Tudoroiu, 2015). Information from 2010 indicates that Plahotniuc's personal wealth amounted then to over US\$2 billion and Filat's to approximately US\$1.2 billion (altogether around half of Moldova's GDP) (Konończuk et al., 2017). **During the period of oligarchic pluralism, the two oligarchs monopolised the country's economy**, combining political and business activities (Konończuk et al., 2017). **Due to the financial resources at their disposal, they can afford to spend large amounts of money on political bribes**, and to hire lobbyists working domestically and abroad (Konończuk et al., 2017). Plahotniuc continued to strengthen his financial resources through his control of numerous, formally state-owned, companies and, with the removal of Filat, also of the country's financial flows (Calus, 2016).

**State capture, in turn, leads to a distorted market economy and poor development outcomes**: it undermines competition by restricting market entry and distributing preferences to influential incumbents; and challenges the basic rules that create and regulate the market economy (Tudoroiu, 2015).

### Judiciary

The politicisation of the judiciary and its dependence on the ruling elite is rooted in the Soviet tradition, when decision-making of judges was subjugated by the will of politicians (Kosárová & Ušiak, 2017). **Enduring deficiencies in judicial reform and ineffective anti-corruption institutions are legacies of Moldova's post-1991 partial reform**, which, introduced market liberalisation without the accompanying reforms to establish regulatory frameworks and sound



public institutions to implement the rule of law (Longhurst, 2020). This allowed for politics to influence anti-corruption bodies and the justice system more broadly (Longhurst, 2020; Kosárová & Ušiak, 2017).

**During Communist rule in Moldova, judges were directly subordinate to then president Voronin** (Kosárová & Ušiak, 2017). **After the fall of the PCRM, Plahotniuc and the DPM gained control of the judicial branch**, including the office of the public prosecutor and the Constitutional Court (Kosárová & Ušiak, 2017). The courts served to intimidate his political opponents (Kosárová & Ušiak, 2017).

Capture of the judicial sector became more direct after 2016 when the Ministry of Justice, Ministry of Internal Affairs and Legal Parliamentary Committee were taken over by the DPM—through **appointment of DPM-friendly officials or through bribery of officials** (Longhurst, 2020). Capture of the anti-corruption sector was achieved through selective appointments (Longhurst, 2020). **Cases and convictions through anti-corruption bodies, and the justice system more generally, were selective and closely aligned with prevailing political interests** (Longhurst, 2020).

Between 2011 and 2013, over 16 Moldovan judges were allegedly involved in the infamous 'Russian Laundromat': they provided a false legal basis for the transfer of funds from Moldovan banks to offshore companies (Lough & Rusu, 2021). In October 2020, criminal charges against 13 out of 15 judges suspected of involvement in this money laundering, were dropped by the Anti-Corruption Prosecutors' Office. It claimed that there was no evidence of their involvement and that its previous leadership had rigged the investigations (Lough & Rusu, 2021).

During 2016–2019, there was strong political control over judges and prosecutors, the use of unauthorised surveillance of political opponents and the fabrication of evidence to convict unwanted actors (Lough & Rusu, 2021). **Prosecutions were rarely motivated by the efficiency of justice, but by political competition** (BTI, 2022). Plahotniuc frequently used the judicial system to silence his opponents and critics: his influence in the General Prosecutor's Office and the National Anti-Corruption Bureau is thought to be linked to the arrest and imprisonment of Filat (Gherasimov, 2019).

**The independence of judges has been a priority on the reform agenda of all Moldovan governments since 2009** (Vidaicu, 2021). Entrenched interests and culture can thwart genuine change. Contemporary judges, prosecutors and police officers have grown up in an institutional culture that has not yet adapted to the needs of a democratic state, with the judiciary remaining susceptible to old informal practices (Lough & Rusu, 2021). This includes tolerance of political interference in the work of prosecution services and the police (Lough & Rusu, 2021).

**The failure of justice sector reforms ultimately reflects the preservation of a political model that allows the ruling class to engage in rent-seeking with impunity** by using the police, the prosecution service and the courts as its accomplices (Lough & Rusu, 2021). The public space in the country is filled with anecdotes about corrupt judges and prosecutors (Minzarari, 2022). A corrupt judiciary is more desirable than an independent judiciary for fragmented political elites with short time horizons (Bolkvadze, 2020). Very little has been done by state institutions to investigate and sanction the violations of justice and law enforcement actors and publicise their wrongdoings (Minzarari, 2022). Journalistic investigations are the key

source through which the public has learned about these breaches of law perpetrated by actors within the justice system (Minzarari, 2022).

Despite improved compensation for members of the judiciary (to stem the appeal of bribes) and the development of an automated case management system, there have still be reports of judges accepting bribes in Moldova (Bolkvadze, 2020). Not all judges, prosecutors and police officers in these countries are corrupt and resistant to cultural change; however **there have still not been sufficient reformist judges, prosecutors, or other internal constituencies in judicial institutions that can drive a reform process from within** (Lough & Rusu, 2021).

For further discussion, see the section 6.2 Judicial system and corruption under Implications for governance and economic development.

## Media

**The media (with some exceptions) in Moldova is largely dominated by political and business circles and cannot be considered pro-reform** (BTI, 2022). The majority of media outlets are owned by oligarchs and used to advance their political and economic interests; while independent outlets face a growing number of court cases (Baltag & Burmester, 2021).

The term ‘capture’ can thus also be applied to media freedom: media in Moldova remain largely monopolised and subordinated to a few influential political and business groups (BTI, 2022; Rosca, 2018). **The monopolisation and concentration of the media in Moldova leads to the manipulation of public opinion to the benefit of a political party or a narrow group of affiliates** (Rosca, 2018). Media, particularly television, national and regional media, are used to undermine political opponents and deflect blame onto competitors, through domestic propaganda or even fake news (Burkhardt, 2020; Longhurst, 2020; Gherasimov, 2019). During his regime, Plahotniuc owned four of the five TV stations with nationwide coverage and three radio stations, as well as a number of newspapers and news portals (Calus, 2016). The monopolisation of media also **eliminates the free exchange of ideas and undermines electoral competition—raising the costs of campaigning, limiting the diversity of political voices** and discouraging smaller new parties from joining the debate (Gherasimov, 2019; Rosa, 2018).

Despite legal improvements, the media situation in Moldova is still not good, with a lack of effective mechanisms for implementing existing laws (BTI, 2022; Rosca, 2018). Occasionally, journalists are still threatened by politicians or civil servants (BTI, 2022). **Despite political pressure and self-censorship, there are still examples of independent media outlets investigating corruption cases** (such as the well-known newspaper Ziarul de Gardă) (Baltag & Burmester, 2021).

**Another concern is the increasing presence of Russian state television and local pro-Russian broadcasters in Moldova’s media space, some of whom promote disinformation and fake news** (BTI, 2022; Burkhardt, 2020). Russian propaganda also reinforces the pro-EU/pro-Russia divide, **exacerbating societal cleavages** (Boulègue et al., 2018).

Parliament passed an ‘anti-propaganda law’ in 2017 banning the rebroadcast of Russian news, analysis, and politics and military programmes on Moldovan TV channels (Boulègue et al., 2018). Although the amount of Russian content on TV has diminished, the law has many shortcomings, including its lack of application to print media, the internet, and the rebroadcasting of Russian talk

shows and infotainment (Boulègue et al., 2018). **CSOs working on countering Russian influence in the media and social media spheres have focused primarily on monitoring the media landscape, fact-checking, debunking fake news**, providing training in media literacy, and seeking to combat information manipulation (Boulègue et al., 2018)

## 5.2 Commitment, coordination and cooperation

The capacity of the government to implement its policies is influenced to a large extent by the political and business interests of the rent-seeking ruling elites (BTI, 2022). Power concentration can result in certain advantages when it comes to development policy and implementation, in terms of fostering commitment, coordination and cooperation (Kelsall, 2018). It can also produce disadvantages, however: for example, if a leader in a concentrated configuration earns a reputation for breaking commitments, credibility and trust will be low (Kelsall, 2018).

### Commitment

Long-term horizons (through political stability) can allow for investment in policies and institutional development that have only a long term pay-off, such as economic and social (e.g. health and education) transformation (Kelsall, 2018). These areas require a long-term commitment from policy-makers, have few visible immediate pay-offs and may require short-term sacrifices, for example in terms of reduced consumption, asset requisition or higher taxes (Kelsall, 2018).

**The ruling elite in Moldova generally does not pursue long-term policies, focusing instead on short-term interests to maintain power and control over the state apparatus** (BTI, 2022). Decisions on the judicial system, rule of law and the fiscal security of the country, for example, are often made irresponsibly and for short-term political and financial gains (BTI, 2022). The official political programmes (including strategic priorities) of mainstream parties are usually only a facade created in order to gain support from both a specific part of the Moldovan electorate and foreign actors (BTI, 2022).

**Maintaining long-term horizons and strategic priorities is also undermined by the political instability and frequent government changes** in the country: between 2013 and 2019, Moldova had seven different prime ministers (BTI, 2022).

### Coordination and cooperation

Coordination problems ensue when diverse actors have interests that are aligned, but fail to act on them because of uncertainty about what other actors will do (Kelsall, 2018). Cooperation problems arise when collectively desirable outcomes are difficult to achieve because individuals have an incentive to free ride on the contributions of others, or because they have different interests (Kelsall, 2018). Concentrated power configurations are less likely to suffer from coordination and cooperation issues as there is less possibility of playing one authority against another (Kelsall, 2018).

**The post-2009 practice of coalition governments in Moldova led to significant difficulties in electing the cabinet**, with various behind-the-scenes agreements that subsequently had an impact on the functionality of the executive (Tăbârță, 2021).

**After the collapse of the oligarchic system in 2019, tensions and friction between individual institutions, organisations and public authorities in Moldova increased** (BTI, 2022). Conflict emerged between then President Sandu and her allies, on the one hand, and the PSRM on the other, based on **ideological tensions (pro-Western Sandu vs pro-Russian Socialists) and systemic tensions (Sandu and her allies are advocates of reform and democratisation, while the Socialists and their associates are in favour of preserving the status quo)** (BTI, 2022).

Ultimately, **the short-lived Sandu government was able to push through a number of amendments with the support of the PSRM** (its senior coalition partner). This was due to the desire of the Socialist Party to pursue de-oligarchisation by removing Plahotniuc's influence from the political system, such that it could take control of the state apparatus (BTI, 2022; Corman & Schumacher, 2021). On several occasions, the authorities were able to swiftly push through legislation in the political or economic interest of the ruling camp, such as the adoption of a new Non-Governmental Organisation (NGO) law.<sup>3</sup> Despite initial resistance from the Socialists, it passed smoothly in June 2020, as its implementation was one of the conditions for launching EU financial assistance for Moldova (BTI, 2022).

**The PSRM were not interested in more substantial reforms, however, to depoliticise state institutions or limit access to state finances, which eventually led the Socialists withdrawing its support for the Sandu government** (BTI, 2022). The reform of the justice system, which was the declared 'cornerstone' of the government programme, thus failed due to lack of support from the PSRM (Corman & Schumacher, 2021). Further, the PSRM sought to gain more control over the judicial system early on, while part of the Sandu-led government, by installing loyalists in the Moldovan Constitutional Court and the National Centre for Anti-Corruption (Corman & Schumacher, 2021).

**The results of the parliamentary elections of July 2021—and ensuing one-party government— suggests that there should be greater ease and speed in forming a government (based more on competence than party loyalty) and promoting reforms** (Tăbârță, 2021). Since the party with a parliamentary majority, PAS, is a pro-presidential party, it is expected that the presidency and the government will establish a common agenda in the exercise of political power (Tăbârță, 2021).

## 6. Implications for governance and economic development

Based on ODI's political settlement framework, in a situation with a narrow social foundation and a concentrated power structure (such as has been observed at times in Moldova throughout its post-independence history), only a minority of the population has disruptive potential. As such, the leadership is unlikely to be under much pressure to deliver broad-based development or inclusive social policies (Kelsall, 2018). Instead, predatory rule is the most likely result (Kelsall, 2018). At the same time, the power configuration is concentrated, meaning the top leadership can dictate terms to the rest of society without having to share the spoils of any gains (Kelsall,

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<sup>3</sup> The law says that during election campaigns, NGOs will not be able to provide any services or offer material support to election candidates, or campaign for them. They may only promote elections, organise electoral debates and monitor elections. <https://balkaninsight.com/2020/06/12/moldova-adopts-ngo-law-releases-eu-financial-aid/>

2018). It could also be the case, under a concentrated political settlement that leaders and their allies, with developmental ambitions, could implement successful economic policies (Kelsall, 2018).

**Elites throughout the political history of Moldova have pursued their interests to the detriment of the well-being of society at large**, which has had significant negative consequences for political, economic and social activities in Moldova (Longhurst, 2020; Konończuk et al., 2017). They have **blocked further and fuller reforms which could have enhanced the public good and rendered transitions more equitable** (Longhurst, 2020). The ongoing state of partial reforms has had a persistent adverse effect on state institutions and the ability to promote inclusive development (Longhurst, 2020). Elites have also often blocked or co-opted the reform efforts of groups comprising the social foundation, incorporating them into their established rules of their game (Baltag & Burmester, 2021). Rather, if elites allowed these groups to play a significant role in national policy-making processes, they could provide specific policy recommendations and monitor implementation, thereby encouraging and coercing decision makers to adopt democratic norms and reforms into law and implementation (Baltag & Burmester, 2021).

**High-capture states tend to extract more bribes, tax and regulate more heavily, mismanage the macroeconomic environment; and be less effective at preserving law and order** (Tudoroiu, 2015). Structural distortions caused by state capture also entail social costs by **reinforcing inequalities and weakening civil society** (Longhurst, 2020).

**The Moldovan economy suffered significantly from the theft of 12% of Moldova's GDP during the banking scandal in 2014** (Marandici, 2021a; Nizhnikau, 2017; Cenusa, 2016). The country responded to the severe deficit in the state budget by imprinting more bank notes, which devalued the currency and increased inflation, which exceeded 9% in 2015 (Kosárová & Ušiak, 2017). The second half of 2015, following the banking scandal, was marked by recession, a decline in GDP by 0.5%, which adversely affected foreign direct investments (Kosárová & Ušiak, 2017). The economy gradually recovered in 2016, but inflation remained a problem (Kosárová & Ušiak, 2017). **Corruption also remains a key economic problem**: a study from 2017 found that the costs to the Moldovan state from corruption amounted to around 8.7% of annual GDP; and the annual direct losses caused by bribes accounted for 3–5% of the national public budget (see Longhurst, 2020).

## 6.1 Poverty and inequality

**State capture distorts the functioning of the market and makes it harder for governments to implement effective public policies to alleviate poverty** (Longhurst, 2020). After Plahotniuc became an influential public official, there was a sudden and unexplained mass migration of the bank accounts of state institutions (Tudoroiu, 2015). This mismanagement of state resources has impacted negatively on the quality of governance and is expected to result in further increase of poverty and social inequalities in the long-term (Tudoroiu, 2015). **There has, however, been an overall fall in absolute poverty in Moldova over time** (2014 – 29.5%, 2015 – 25.4%, 2016 – 26.4%, 2017 – 27.7%, 2018 – 23%), albeit with notable blips (see Longhurst, 2020). **Further, Moldova has since 2009 seen a consistent GDP growth (aside from 2015) until the COVID-19 pandemic** (Borgen Project, 2020).

**Despite this economic progress and reduction in absolute poverty, Moldova still experiences various issues with poverty and inequality.** Approximately 23% of Moldovans live below the poverty line, according to the World Bank (see Komm et al., 2021). The struggle to maintain livelihoods, particularly pronounced in rural areas, significantly affects their ability to dedicate time to community issues or to public problems, through activism or volunteer work (Komm et al., 2021). Although poverty alleviation and household incomes have improved in the past decade, **the more vulnerable elements of society, including rural communities, the aged, and women, are still more likely to be in poverty** (Longhurst, 2020).

In addition, **poverty reduction in the country can be attributed in large part to remittances** sent back to households by Moldovans who have migrated abroad (Komm et al., 2021). **The mass exodus for jobs may affect as many as 40% of working-age Moldovans, itself a problem, as it hollows out the state** (Komm et al., 2021; Longhurst, 2020). At the highest points, remittances were worth around 34% of Moldova's GDP (see Longhurst, 2020). A 2018 study found that **if remittances were taken out of the equation, the effects of state capture on perpetuating inequalities in Moldova would have been more apparent** (Longhurst, 2020). National measures of income inequality and the Gini index are also unlikely to include data on the income and wealth of the very rich, especially oligarchs with illicitly generated income stored overseas, which underestimates the level of inequality (Longhurst, 2020).

## 6.2 Judicial system and corruption

After the conclusion of Association Agreements with Moldova in 2014, the EU prioritised support for good governance, including judicial reform and a wide range of anti-corruption projects, to encourage greater convergence with the EU (Lough & Rusu, 2021). **The results of judicial reform in Moldova and a wide range of anti-corruption projects have been meagre, however, unable to challenge existing entrenched vested interests**—despite considerable efforts of reformers (Lough & Rusu, 2021; Gherasimov, 2019). Particular challenges include the prioritisation of form over substance in environments characterised by high resistance to change; failure to promote culture change in the judiciary and the law-enforcement agencies; and unrealistic populist expectations about the possibilities of bringing corrupt officials to justice (Lough & Rusu, 2021).

The approval of the **Justice Sector Reform Strategy for 2011–2016** (the 'Strategy') was the first comprehensive effort to reform the judiciary and prosecution service since independence: the main goals were to strengthen judicial independence and increase the ability of the courts to deliver justice to citizens (Lough & Rusu, 2021). **While the vetting of judges was not part of the reform agenda, the Strategy emphasised the need for the Superior Council of Magistracy (SCM) to evaluate the performance of judges, ensure effective disciplinary procedures, and provide for career development** (Lough & Rusu, 2021). **These steps, while modest, encouraged some positive developments in the selection of judges** and greater transparency in the evaluation process (Lough & Rusu, 2021). Still, the country has been unable to gain the trust of its citizens in the courts (Lough & Rusu, 2021).

**The fight against corruption in Moldova is insufficient, particularly as the institutions in charge are highly politicised and political will is almost non-existent** (Kosárová & Ušiak, 2017). While the country has successfully established new anti-corruption institutions, there was an ongoing battle to appoint the senior management positions (Gherasimov, 2019). The

establishment of the National Integrity Agency (NIA), under the Strategy, which operates an upgraded asset declaration system for officials, was delayed due to the slow progress in appointing the Director and Deputy Director (Lough & Rusu, 2021). The slow pace of the selection process appeared deliberate, as it was not a priority of government: this was likely due to the new powers of the NIA to verify the assets of public officials as well as judges and prosecutors (Lough & Rusu, 2021).

The National Anti-Corruption Centre, as part of the Strategy, has also been ineffective at tackling high-level corruption. Prosecutors in the NAC have taken up a substantial amount of petty corruption cases, which may be a deliberate policy to leave little time for high-level corruption cases (Lough & Rusu, 2021).

**The political changes in 2019—and ousting from power of the DPM and its leader Plahotniuc—generated the need for a comprehensive evaluation of judges, prosecutors and other professions involved in the justice sector, which had operated under Plahotniuc’s strong influence** (Lough & Rusu, 2021). Under the influence of Sandu and fellow ACUM ministers, **the new government adopted an ambitious anti-corruption course** by announcing a comprehensive ‘de-oligarchisation’ package on 21 June 2019. Key priorities included the de-politicisation of the judiciary and the public prosecution office; cleansing state institutions of corrupt individuals; and ensuring a full investigation of the banking fraud scheme (Corman & Schumacher, 2021). In October 2019, the parliamentary committee investigating the banking scandal published a report which concluded that the theft had been organised by Plahotniuc, Filat, Ilan Șor (the leader of the Șor Party), and businessman Veaceslav Platon (BTI, 2022).

**Despite these political changes, the political independence of anti-corruption institutions remains uncertain**; as Sandu’s government’s short rule was insufficient to significantly improve the situation (BTI, 2022). Sandu’s subsequent presidential win in 2020 was due in part, however, to her anti-corruption message (Vidaicu, 2021). One of the new government’s first steps was to amend the Law on the Prosecutor’s Office to allow the dismissal of the prosecutor general for ‘unsatisfactory performance’ or their suspension in the event of a criminal case against them (USDOS, 2021). Opposition parties contested the law, which was upheld by the Constitutional Court on September 30 (USDOS, 2021). The key anticorruption institutions in the country (the Prosecutor General’s Office with its specialised anticorruption and anti-organised-crime units, the NIA, the NAC, and the Criminal Assets Recovery Agency) have still made **only limited progress, however, on corruption investigations of illicit enrichment or asset seizures** (USDOS, 2021).

The shift to a one-party government, after the overwhelming PAS majority parliamentary win in 2021 paved the way for Sandu to pursue her promise of justice reform, particularly with the removal of the Socialists who benefited from the status quo and resisted reform (Minzarari, 2022). The new Moldovan leadership has experienced many challenges, however, in fulfilling its main electoral promise to fight corruption by effectively reforming the justice system (Minzarari, 2022). In particular, it has been confronted with the harsh realities of a corrupt justice system that operates independently, almost as a state within a state: **the system of rents, informal institutional control and clan practices that was built by the preceding oligarchic regimes has proven robust and resistant to change** (Minzarari, 2022).

Two key strategies for the government are:

1. **Coercion:** Forcefully intervene and temporarily adjust the legal framework in order to cleanse the justice system of corrupt schemes and individuals (including by vetting judges). Following completion of this exercise, it could then revert back to the current legal framework designed to protect the legal system from political interference (Minzarari, 2022). The PAS government tried this first method, but was quickly met with domestic and foreign criticism: internal actors sought to preserve the rules of the game from which they benefit; and external development partners feared that such an act would lead to authoritarianism (Minzarari, 2022).
2. **Co-option:** Where it is not possible to apply coercive methods described above, the strategy would be to co-opt one of the players of the corrupt legal system and use them to purge the corruption by temporarily borrowing their powers; the government would then gradually need to replace the instrumentalised corrupt player as well (Minzarari, 2022).

Co-option has been adopted as a strategy in environments where there are inadequate numbers of new and honest judges to replace the corrupt ones; of governments do not have sufficient powers to remove all corrupt players from the justice system at once (Minzarari, 2022). **PAS's recent questionable nominations indicate they might be moving to the second method of co-optation.** The risk of this method is that the government is likely to become entangled in the corrupt schemes and agendas of the group that it co-opts; and/or that with inadequate control, the justice system could become monopolised by the individual(s) who the government attempted to co-opt (Minzarari, 2022).

### 6.3 State-society relations

**State capture delegitimises not only the government and the parliament, but the state as a whole.** In 2009, when distrust in state institutions was almost two times lower than today, 48.6% of Moldovans regretted the dismantling of the USSR (only 32.4% did not); 40.3% wished for 'the re-establishment of the USSR and the former socialist system' (32.2% did not); and 43.7% would have voted for 'the return of the Republic of Moldova back in a totally or partly restored USSR' (see Tudoroiu, 2015). The willingness to see the revival of the former Soviet Union is related to people's evaluation of their personal and general social situation (Dragoman, 2015).

The reforms attempted so far, for example in the judicial sector, have not succeeded in creating even a small virtuous circle where the public can see that there is the possibility to conduct fair investigations and trials that deliver genuine justice (Lough & Rusu, 2021). As such, **Moldovan society still has little trust in state institutions** (Lough & Rusu, 2021). According to a poll conducted in Moldova in October 2020, over 44% of respondents said they 'highly distrusted' judicial institutions while a further 26% said they 'somewhat distrusted' them (see Lough & Rusu, 2021). Another poll in 2019 in Moldova reveals that 44% of respondents consider corruption in state bodies to be the top problem facing the country, while 77% consider it to be a major problem (see Lough & Rusu, 2021). More recently, a poll in 2021 revealed that the prosecutor's office and the courts of justice were the public institutions viewed the least favourably: only 2% of respondents had a 'very positive' opinion of them, while 59 and 60% expressed negative views, respectively (Minzarari, 2022).

**Transforming the justice sector in Moldova requires changing the operating environment for politicians and business-people to the point where they see the value of independent courts for upholding rights** (Lough & Rusu, 2021). **Society has a vital role to play in this**



**process by holding its leaders to account and demonstrating a sustained demand for independent justice** (Lough & Rusu, 2021). Sandu's victory in 2020 (and subsequently that of ACUM in 2021) possibly heralds a re-balancing of political forces that could put Moldova back on a path to integration with Europe (Lough & Rusu, 2021). The first weeks after the presidential election indicate the old order is difficult to challenge however: in early December 2020, Socialist deputies joined with pro-oligarch factions in the parliament to force through several controversial bills, including the 2021 state budget, measures on Russian language and broadcasting, and a law transferring control of the state intelligence service from the president to the parliament (Hill, 2021).

**Until there is a qualitative change of Moldova's political class, whereby all aspects of monopolisation of power, politicisation of institutions, and incidence of 'state capture' are removed, it will continue to be challenging to produce substantial changes and reforms** (Cenuşa, 2016).

## 7. Recommendations

While Moldova has yet to deliver the generational change in modes of governance anticipated by their citizens and the West, there have been incremental improvements (Gherasimov, 2019). The following are various recommendations for government, domestic reformers, Moldovan society, and donors for improving inclusive governance and development in Moldova, identified throughout the literature, organised here in the framework of the political settlement.

### 7.1 Addressing the social foundation

The Moldovan government, Moldovan society and its Western partners need to cooperate to nurture a new generation of political and civil society actors (e.g. domestic reformers and diaspora returnees) capable of representing electorates; advocating for and implementing sustainable governance reforms (Gherasimov, 2019). Recommendations to government, civil society and donors related to broadening the social foundation (increasing populations with disruptive potential) include:

#### Civil society and social cohesion

- Encourage national dialogues on the future of the country (Gherasimov, 2019).
- Support the establishment and practice of local town meetings and public consultations to involve communities in the relevant decision-making processes (Gherasimov, 2019).
- Support the creation of civic initiatives to encourage a new generation of youth interested in the development of their communities, particularly in rural areas (Gherasimov, 2019).
- Lower the barriers of entry for CSOs; and support local CSOs in areas away from the capital, and new, emerging civil society actors. The diversification of civil society can produce alternative ideas and programmes (Komm et al., 2021).
- Broaden the portfolio of activities of CSOs, watchdogs, think-tanks, investigative media outlets, which promote transparency and monitor accountability of decision-making processes (Gherasimov, 2019).
- Increase donor funding for projects that enable better integration of minority groups and the promotion of diversity, as well as civic education about human rights (Boulègue et al., 2018).

- Continue with donor projects aimed at strengthening the competences and expertise of civil servants and civil society, from which public sector employees are often recruited (BTI, 2022).

### **Diaspora**

- Increase donor support and encouragement for Western-based diaspora and diaspora-based projects, especially projects associated with expatriates in the West that offer a potentially effective route to countering influential Russian disinformation (Boulègue et al., 2018).
- Increase donor support for expatriate Moldovan thought leaders who convey a strong pro-reform message and have the potential to introduce an alternative narrative for civil society, acting as positive agents for change (Boulègue et al., 2018)
- Provide incentives to established academics and experts educated abroad to, at least temporarily, return to their home countries to boost the effectiveness of educational systems (Gherasimov, 2019).
- Increase academic exchanges with Western institutions (Gherasimov, 2019).
- Diversify young professional schemes to gain experience in Western institutions through internships, job shadowing, fellowships and sabbaticals (Gherasimov, 2019).
- Fund networking events to develop joint actions among diaspora representatives, local civic activists and experts (Gherasimov, 2019).

### **Political parties**

- Ensure financing of political parties from the state budget, alongside audits and sanctions for violations, in order to cleanse political parties of vested interests and oligarchic groups (Konończuk et al., 2017).

## **7.2 Addressing power configuration: countering state capture**

Recommendations to government, reformers, civil society and donors related to countering extreme power concentration in Moldova, in the form of state capture, and addressing its legacies, include:

### **Monitoring and due diligence**

- The EU must ensure that it does not accept face value assurances from Moldova's leaders—who espouse support for justice sector reform but are not genuinely committed to implementing the changes—as it has in the past (Lough & Rusu, 2021). Despite early warnings about risks in the banking sector, the EU retained its labelling of Moldova as a 'success story' (Corman & Schumacher, 2021).
- Support capacity building of independent monitoring and oversight organisations to keep checks on state power (Gherasimov, 2019).

## **Judicial system and corruption**

- Increase donor support for projects advocating political reform, in relation to: electoral practices, local democracy, anti-corruption policies, democratic good governance and the rule of law (Boulègue et al., 2018).
- Develop anti-corruption institutions alongside comprehensive reform of the justice sector (Lough & Rusu, 2021).
- Prioritise the cleansing of corrupt law enforcement agencies (judiciary, prosecution, police and security agencies) in the reform process, as it has knock on effects for many other dimensions, including undermining the influence of oligarchs and corrupt politicians, creating a positive business climate, and enhancing the public's trust in the state institutions (Gherasimov, 2019; Konończuk et al., 2017).
- Include vetting in the reform process in order to promote an independent judiciary: the lack of constitutional safeguards to appoint members of the SCM and recruit individuals to the justice system based on merit, and with vetting of their integrity, remains a serious obstacle to creating an independent judiciary. Prosecutors and judges with high levels of professional competence will be better able to carry out their work based on the law, not selective justice, which can also contribute to building public trust in state institutions (Lough & Rusu, 2021).
- Focus on improving the first-instance courts and demonstrating to the public that the judicial system works to the benefit of citizens through positive examples of individuals asserting their rights in the absence of interference in judges' decision-making (Lough & Rusu, 2021).
- Promote better public understanding of the concept of rule of law, with particular reference to the role of society, beyond a small number of committed civic activists, in holding its leaders to account (Lough & Rusu, 2021).

## **Media**

- Increase donor funding for broadcast, digital and print media free from political and oligarchic influence; and strengthen the capacity of independent media outlets and investigative journalism to shape public opinion (Gherasimov, 2019; Boulègue et al., 2018; Konończuk et al., 2017). This requires reform of the state's funding policy and the introduction of television licences (regular fee paid by citizens) (Konończuk et al., 2017).
- Promote the de-monopolisation of the media to allow political parties and independent candidates equal access, particularly during electoral campaigns (Gherasimov, 2019).
- Support training and improvement of professional skills of civic activists (e.g. early career investigative journalists and academics) and policymakers (Gherasimov, 2019).
- Encourage the development of journalism focused on authoritative crime and court reporting to communicate the benefits of better functioning courts: this requires providing legal training for journalists (Lough & Rusu, 2021).
- Provide donor funding for projects that give citizens the tools to improve their critical thinking and ability to fact-check and assess the quality of information sources, in order to see through state-engineered propaganda and disinformation. Creative media literacy courses should be introduced in high schools and universities (Boulègue et al., 2018).
- Promote a positive counter-narrative that refocuses the internal debate away from the pro-EU/pro-Russia geopolitical divide and toward internal politics and the genuine

preoccupations of citizens, such as the economy, healthcare, the rule of law, education and the need to tackle vested interests (Boulègue et al., 2018).

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