

Moldova’s new government – a country less divided, for now

An unlikely coalition was formed between the pro-Russian Socialists and the pro-EU ACUM bloc, after what looked like a geopolitical consensus between the USA, EU and Russia to oust Vladimir Plahotniuc, who had crossed too many lines lately.

The coalition was formed overnight. The executive team looks technocratic, but disproportionate when it comes to political responsibility. The Socialists only control one ministry, despite having more seats in parliament than their partners combined.

The people expect to see quick progress in reforming a deeply compromised system. However, first criticisms were already voiced when appointments were made for some key positions.

The coalition has its struggles and a new agreement is needed, at least according to the Socialists. Things are not made easier by the upcoming local and early parliamentary elections in at least 4 constituencies on 20 October. Both ACUM and the Socialists aim for the position of mayor of Chisinau. Presidential elections will follow next year. Few believe the coalition can last beyond its first year.

Geopolitical consensus and the last-minute coalition

As the 3 months to form a coalition were running out, emissaries from the USA, EU and Russia had arrived in Chisinau to help. It was on day 90 and after President Dodon had just returned from another visit to Russia, that it had become clear that a coalition with Plahotniuc was not an option for the pro-Russian Socialists. Everyone was surprised, as many expected the opposite. Plahotniuc immediately declared war on Dodon, by accusing him of betraying Moldova’s interests for Russia’s. Materials that were supposed to incriminate him were leaked and heavily covered by Plahotniuc’s media. The Constitutional Court (clearly under his influence) issued several very controversial decisions to force the president to call early elections and even suspended him.

A few very tense days followed. As the Socialists and ACUM formed a last-moment coalition, Plahotniuc used his people to block access to government buildings. Attempt at usurpation of power became obvious.

One week into the crisis, the US ambassador spoke to Plahotniuc for less than 30 minutes about democratic transition. The latter fled Moldova within hours. The crisis ended shortly, as his government and all six judges at the Constitutional Court resigned.

The executive team – looking good, but...

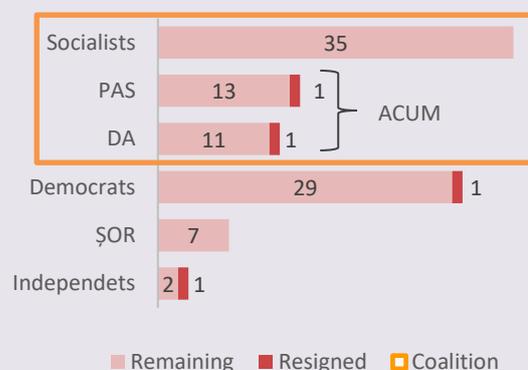
Maia Sandu (PAS party) formed a technocratic government. Although negotiated in a rush, it included 3 Harvard graduates and several other big names. The excitement was high. But so was the surprise of some that the Socialists were hardly involved. They only got to appoint 2 key government positions out of 11: that of minister of defense and the deputy-prime minister for reintegration. The latter leads the reintegration bureau and not a ministry.

This is as close as it gets to what Maia Sandu had previously insisted on – a government supported by the Socialists, but without their direct participation. The Socialists accepted the European Agenda (i.e. implementing the Association Agreement), but each had to tune down on the more sensitive topics (e.g. NATO).

Two ministers stood out the most in the first two months. On the one hand, the Minister of Economy Vadim Brinzan promised to stop multiple schemes costing the budget hundreds of millions. On the other hand – the Minister of Finance Natalia Gavrilita had uncovered an additional MDL 1 bn (approx. EUR 50 m) of budget deficit, due to salary increases by the previous government. After the IMF mission in July, she announced tax increases.

Meanwhile, the previous Minister of Finance Ion Chicu became an advisor to the president. Both him and Dodon disagree with Minister of Finance on at least one topic – increasing VAT for restaurants and hotels from the 10% adopted last year, to the standard rate of 20%. Regardless of the final decision, the Socialists are less likely to lose support due to this matter. The same can be expected on other unpopular measures.

Number of MPs by parliamentary group



Source: alegeri.md, parlament.md; Note: number of resigned is shown only for seats won in constituencies and which are up for grabs in new elections. Those who were elected on party lists (e.g. the Minister of Education from PAS) will automatically be replaced by new MPs from their teams.

Meanwhile in parliament – rushing for justice

As the new legislature elected its working bodies, business as usual began. Many well-intended legislative initiatives were registered and wide consultations with civil society, experts and the business community were launched.

But while few voters have clear expectations on policy, everyone wants to see justice being done. The system had been deeply compromised and the coalition understands that they need to show results soon.

The parliament was quick to appoint a new head of the Anticorruption Center – Ruslan Flocea, who's role until then was that of Secretary General of the Presidency.

But the key priority of the new coalition is appointing the new Prosecutor General – a key figure for advancing investigations on any big case. That is complicated by an amendment to the Constitution passed in 2016 which leaves the parliament out of the process. They did manage to appoint an interim one, though, by rushing a change to legislation.

Meanwhile, the Superior Council of Prosecutors has initiated the process to select a new Prosecutor General. The decision was criticised by the Minister of Justice Olesia Stamate who wants designation to be organised on new terms. As of now, the current establishment at the Council only needs to agree with the president on a suitable candidate. This gives the Socialists the upper hand.

Beyond honeymoon – tension and uncertainty

Current arrangements of the coalition are not known to the public, but the Socialists keep mentioning the need for a new, post-crisis, coalition agreement. The Socialists were vulnerable then, but as they get on their feet, it's only natural that they demand a better deal.

Tensions may rise as the coalition partners start campaigning against each other throughout the country for the local elections on 20 October. The battle for Chisinau will be key. Andrei Nastase (DA party), now Minister of Interior, had won the early elections last year, but the results of the vote were simply canceled by the Electoral Commission and a court. The Socialists only lost by 5% then and might stand a better chance this time.

And if local elections will not do it, the presidential one next year just might. Maia Sandu and Igor Dodon might face each other again. The latter won by only 4 percentage points in 2016.

Conclusion and outlook

Society became less divided as opposites united, when not even politicians themselves thought it was possible. Hiccups aside, the new government inspires hope. However, it will be difficult to achieve tangible results in the short time remaining until the presidential elections next year.

Above all, people expect justice now. Reforming a system compromised so deeply will not be easy. But showing at least some action may satisfy voters for now.

A new coalition agreement is imminent and more executive roles for the Socialists should be expected.

Few would bet this coalition can last beyond next year. But then even fewer expected them to join forces at all.

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