

MOLDOVA:  
THE DNIESTER MOLDOVAN REPUBLIC

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## Introduction

The subject of this report – the “Dniester Moldovan Republic” (the Transnistria region of Moldova) - is a central issue for understanding the genesis, current situation and prospects for conflict resolution and stability in this region. As history in general and the case of Moldova in particular have indicated, successful and durable solutions can be guaranteed through the consolidation of independence, territorial integrity, political and economic sovereignty. Such solutions will take action based upon a proposal primarily formulated in accordance between the Organization for Security and Cooperation in Europe (OSCE) Federalization plan (July, 2002) and the new initiative of the Moldovan President V. Voronin (February 2003). Along with domestic political factors, the crucial element necessary for the implementation of these projects is support from the international community, particularly from the Russian Federation, the United States, and the OSCE. Nevertheless, in the long run, the peace building and reconciliation process will be efficient and durable only if it proves to be self-sustainable. The primary crucial questions that this study will address are how should one: ensure such sustainability; how to withdraw the Russian armaments and troops; and reintegrate the separatist Transnistrian region into a unified Moldovan state without sacrificing national identity and without prejudicing the performance and prospects for democratic development and European integration of Moldova.

This report is based on academic, journalistic, and diplomatic sources, on the personal experience and interviews of Dr. Ceslav Ciobanu, on the research conducted by the Center for Security and Science (formerly the William R. Nelson Institute of James Madison University) and their counterpart office in Moldova, as well as on information provided by the World Bank, the International Monetary Fund, the US Agency for International Development (USAID), and the UK Department for International Development (DFID).

Stephen Bowers

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## 1. Political organization of the “Dniestr Moldovan Republic”

On September 2<sup>nd</sup> the “Dniester Moldovan Republic” (DMR) celebrated the twelfth anniversary of its independence. According to DMR leader Igor Smirnov, “Transnistria had transformed itself from a few dispersed administrative-territorial units (“rayons”) of the Moldovan SSR into an integral democratic state in form of a Republic with all the attributes and institutions of state power...”<sup>1</sup>.

Transnistria is a piece of land along the Dniester River that is slightly more than 4,000 square km. (or 12 percent of the territory of Moldova) and has a population of 655,000. This constitutes 15 percent of Moldova’s total population. It is divided into seven administrative regions and its two largest cities are Tiraspol (the second largest city in Moldova after Chisinau) and Bender (Tighina), Moldova’s fourth largest city<sup>2</sup> and the “gateway” to Transnistria). There are five “rayons” [districts] (Grigoriopolsky, Dubossarsky, Kamensky, Rybnitsky, Slobodziysky - in Russian spelling). All together, Transnistria boasts four cities, eight towns, and 140 villages.

In many ways, this small separatist region was practically frozen in time during the Soviet Union’s dissolution. Even the name “Transnistrian Moldovan Soviet Socialist Republic within the URSS”, adopted on the “extraordinary congress of local soviets” in 1990, expressed the political essence of this pathological state-like creature. One year later, the name was changed to the “Pridnestrovskaya Moldavskaya Respublika” (PMR, “Transnistria Moldovan Republic”), whose “constitution” –a model inspired by China’s socialist constitution– was adopted by a so-called “national referendum” in December 1995. Its symbols - the flag, anthem, feast-days etc. - remain the same as they were under Soviet system. The Soviet style of leadership is perpetuated in the DMR. Igor Smirnov, who came to Moldova in 1987 from the Russian city Habarovsk and who was later appointed director of the Electromash factor, operates in the manner of a Soviet bureaucrat. He is no longer “Chairman of the Temporal Supreme Soviet” but is now designated as “president” of the DMR. In December 2001 he was re-elected with an overwhelming majority of popular votes (85 percent compared with 65 percent during the first elections in December 1991). In order for him to be reelected a third term, the “constitution” was changed (August 2000)<sup>3</sup>.



Igor Smirnov

Andrei Safonov<sup>4</sup>, a well-known political analyst from Tiraspol, insists that the constitution was simply replaced with a de-facto new constitution. All term limitations were abolished. The government was renamed as a cabinet of ministers, headed by the “president” (on the American prototype), empowered by the rights to create or liquidate ministries and departments and to appoint or dismiss ministers without any coordination with the “parliament”. The bi-cameral “supreme soviet” (composed by 67 members, from which

<sup>1</sup> “Pridnestrovie. 12 let boribi i nadejd”, Kommersant PLUS, Chisinau, 2002, September

<sup>2</sup> Located on the right bank of the Nistru River in the part of Moldova historically called “Bessarabia”

<sup>3</sup> The Current Digest of the post-Soviet press, Volume 53, No.50, January 9, 2002; INTERLIC, Chisinau, December 3-10, 2002

<sup>4</sup> One of the former leaders of the pro-Moscow movement Moldovan Interfront (during 1989-1993), who later on (middle of 90s) joint pro-presidential (former President of Moldova P.Lucinschi) block “for a democratic and prosperous Moldova” and had left the Moldovan political stage after the transformation of this amorphous block into the Democratic Party of Moldova.

32 formed House of Legislators and 35 - upper House) has been re-modified into a one-house body, with 25 deputies that are no longer working on a professional basis. The legislature, elected at the end of 2000, has been headed by the same "speaker" or "chairman of the supreme soviet" since 1991. That individual is Grigorii Marakutsa, who is a devoted follower of Igor Smirnov, as are an absolute majority of all DMR parliamentary "deputies" and all other officials of this "super-presidential" separatist regime. During all the years of the DMR's existence, the "parliament" has not been called upon to accept any "presidential decrees" or initiatives.



Political Scientist  
Andrei Safronov

Since its declaration of independence, the DMR has successfully established and consolidated its own state-like structure. In addition to a President and a Parliament, there is a Supreme Court (the chief of justice of the Supreme Court is Olga Ivanova) and a National Bank, which has issued its own currency, the "Transnistrian rouble", since 1994. The DMR Customs Services is headed by Smirnov's son - Vladimir, who is also the head of the most powerful private company "Sheriff". The Internal Security services are headed by General Vadim Shevtov/Antiufeev, a former OMON commander in Latvia, who is considered responsible for the deaths of protesters in Riga in January 1991, and is subject to an Interpol arrest warrant. The DMR Police are commanded by Alexander Korolev who serves as interior minister. He also commands its special forces - the Dniestr battalion, and Border Guards that "serve next to the army as important pillars of power".<sup>5</sup>

The "minister of foreign affairs", Valery Litskay, is another longtime ally of Smirnov and is the "main negotiator" with Moldovans, the OSCE, and the Russian and Ukrainian mediators who are working on Moldovan conflict resolution issues. In this capacity, Litskay has become a significant obstacle for the success of these negotiations. In the past several years, the role and influence of the justice ministry (Victor Balala who comes from Russia and was elected into the Russian Supreme Soviet in 1990-1993) has significantly increased. The explanation lies in the interest of the separatist authorities to "legitimize" their activities, provide legal support for Smirnov by "adjusting" the legislation to his "presidential" ambitions, and to protect the regime against opposition parties and movements. The justice ministry has its own special forces - the Scorpion detachment and, in cooperation with the ministry of information and telecommunication, the justice ministry helps accomplish these goals. Boris Akulov, ex-minister of information who was appointed as the Tiraspol representative to Ukraine, is notorious for his hostility toward freedom of expression, for imposing censorship, and for cutting the broadcasts of even the Russian TV channels in Transnistria<sup>6</sup>.

It should be mentioned that the senior Transnistrian "officials" (Igor Smirnov, Grigorii Marakutsa, Vladimir Smirnov, Vadim Shevtsov/Antiufeev, Olga Ivanova, Valery Litskay, Vladimir Atamaniuk, Alexander Korolev, Victor Balala and Boris Akulov) are citizens of Russia, who continue maintain close working relationships with Russian officials and government institutions.

Recently the Supreme Soviet adopted a new mass media law that provided much more restrictive procedures for their registration and, according to a group of independent experts, has been directed against opposition newspapers such as "Novaia gazeta", "Dobrii deni" and "Glass naroda".

<sup>5</sup> C.Neukirch, "Transnistria and Moldova: Cold Peace at the Dniestr", the *Helsinki Monitor*, 2001, N 2.

<sup>6</sup> For example the RTR story of corruption and smuggling, and illicit activities of the "Sheriff" company, INTERLIC, November 25, 2001.

This legislative initiative can be better understood in the context of an examination of the political parties and movements of the DMR. The main opposition parties are the following:

- “Narodovlastie” (People’s Rule movement) headed by Alexander Radcenco, member of the Transnistrian Supreme Soviet, and his colleague Nicolai Buchatsky, member of the Tiraspol city Soviet, left-wing movement that openly supported the Moldovan Communist Party during the February 2001 parliamentary election in Moldova. In spite of the fact that Narodovlastie does not have strong support among the population (its leader A.Radcenco, received only 4.8 percent of votes in the last “presidential” elections), it was outlawed because, according to authorities, the party represented “hostile interests of a foreign state [Moldova]”.
- The social-political movement of the young communists of Transnistria experienced the same fate, whose leaders (Oleg Horjan, Vladimir Sacara, Evghenii Balabas, Andrei Nichitchenco, and Roman Molcianov) are permanently under harassment of the security services. On October 22, 2002 four of them were arrested under accusations of “supporting terrorism and subversive activity against the Transnistrian state”.
- Ideologically similar/close to these parties and to the communist party of Moldova as well, is the social-political movement “Vlasti narodu! Za sotialinuiu spravedlivosti” (The power - to the people! For social justice), headed by Alexander Iavorski. But like other leftist parties, this movement has a little support among the electorate.

An unsuccessful attempt to unify these forces and to compete for the “presidency” was undertaken by



Vice Speaker of Parliament  
Vladimir Atamanuik with  
WRNI Director Bowers

the former head of the Bender city administration, Tom Zenovich<sup>7</sup>, and by the former chairman of the Bendery city Council Fedor Dobrov. Initiated and organized by T.Zenovich and F.Dobrov, the Congress of Transnistria Unity Movement (inspired from the Russian similar movement prototype) in October 2001 supported Zenovich’s candidacy for “president” and elected Dobrov the Unity leader. Strongly backed by Moldova’s communist party and Moldova’s authorities, they intended to mobilize businessmen and directorate corps, labor unions, leftist forces, harshly criticizing Smirnov’s regime from left-wing (left-radical) positions. Only 7.2 percent of the electorate voted for T.Zenovich, and after this “knockdown” both

of them practically disappeared from the political arena. According to A.Safonov this was “the biggest political mistake” of the governmental officials of Chisinau: director’s corps, with some exceptions, never presented a real political force (the majority of Transnistria’s enterprises are state-owned under the strong control of the local government administration). The Real Unity movement was created by Smirnov’s entourage and headed by the director of Moldavkabel Factory (Bendery) Alexander Zyman, under the patronage of the powerful Director of Moldova Steel mills (Rybnitsa) Anatoly Belitchenko<sup>8</sup>.

A new social movement, “Za Evropu” (Pro-Europe), was recently registered in Tiraspol and is headed by the former internal security major Anatolii Panin<sup>9</sup>. The special services are suspected of creating this

<sup>7</sup> Born in 1938, this colorful figure came from the labor movement, had only 7 grades of education and was known in the 90-s for his extremely radical position that was even more uncompromising than that of Smirnov.

<sup>8</sup> A.Safonov. “Transdnistria: the situation, disposition of the forces and prospects”, *WRNI of JMU*, 2002

<sup>9</sup> After he left the ministry under undisclosed motives in the mid 90’s, he served as the “analyst” in the Tiraspol’s press agency “*OLVIA press*”. His comments are characterized by an orthodox approach, supportive of the regime, and harsh criticism against its opponents.

movement, having the same task as it was in the case of the “new Unity”: opposition to a rapprochement with Europe and disinformation about public issues.

The separatist regime established a sophisticated network of so called “people’s support”, which started with the establishment in 1989 of the “Obiedinnyi Sovet Trudovih Kollektivov “(Union Soviet of Labor Collectives). The leader of the Union Soviet of Labor Collectives. Vladimir Yemelyanov, is combining this “public” function with the official position of Transnistrian “minister of privatization”. Authorities



The DMR Parliament

have successfully used this mechanism each time, when it was necessary to support Smirnov’s candidacy for the “presidency”, to block withdrawal of the Russian ammunition from the region, or to counteract opposition initiatives. Even moderate politicians and parties are targets of the regime’s persecution. For example, the Movement for Transnistria Development (MTD), created in the mid- 90’s by some well-known politicians, businessmen, directors of agricultural and industrial entities in support of a compromising solution for re-integration with Moldova. Its leader and one of the real opponents to I.Smirnov for the DMR “presidency” - Victor Konstantinov (businessman, the chairman of Transnistria Trade House) - was assassinated in May 1997 and those guilty of murdering him were never found.

During its twelve years of “independence”, the separatist regime of Transnistria evolved into a real and efficient totalitarian, state-like system, with a powerful administration, repressive structures, and dominated by the symbols and ideology of Smirnov’s entourage. Although the international community did not recognize de-jure the regime, Russia and Ukraine always supported and support the Transnistrian regime directly and indirectly. The presence of the Russian military forces in the region (without any legal status) represents the main pillar of this separatist regime. Also, the Moldova’s authorities actually recognized this regime by signing (due to great pressure of Russia) over 50 documents with Transnistrian representatives. Among the documents are: i) the Memorandum of 8 May 1987 (regarding principles of the normalization of the relations between Republic of Moldova and Transnistria); ii) the Protocol Agreement on settlement of problems of activity of customs authorities (02.07.1996)<sup>10</sup>; iii) Agreements between Parliament of the RM and the Supreme Soviet (03.14.2000); iv) agreements within Departments of Internal Affairs (01.26.2000); and v) that of Standardization, Metrology and Certification (03.11.1996; offered the right to certify goods and services), and vi) between Penitentiary systems (06.01.2001) etc. Some experts consider “significant” the fact that only representatives of the RF, the OSCE and the “DMR” signed the Agreement of June 15th 2001 without participation of Moldova’s officials as a “significant” move, even though this document directly affected the political and economic competences of Moldova<sup>11</sup>.

By signing these documents, Chisinau “volens-nolens” accepted the existence of the two separate governments with their legislative, executive and judicial branches. The question is if there was a real alternative for Moldova, and if the answer is “yes” - what was this option and why did Moldovan officials fail to seize an alternate route if they in fact did have a solution in mind?

<sup>10</sup>According to this document Moldova granted Transnistria customs stamps and respectively - rights to control the frontier with the Ukraine along the Nistru River, 425 km.

<sup>11</sup> Ira Rurac, Separatism si impactul lui asupra procesului de edificare a statalitatii in Republica Moldova. *Institutul de Politice Publice*, Chisinau, 2002, p.23

Dr. Oazu Nantoi, one of the most respected Moldovan political analysts, believes that Transnistria's population can be structured into seven groups: i) "interested" with personal benefits; ii) "shock detachments", or so called elite troops, kozaks, security service; iii) "fanatics"- handicapped persons, pensioners dominated by nostalgia for soviet times; iv) "DMR's citizens" (in O.Nantoi opinion - "homo pridnestrovicus"); v) "functionaries" represented by local bureaucracy; vi) "amorphous mass" or indifferentists, and vii) "conscious opposition". It is questionable how exact is this approach, what are the quota of each category, but the author's conclusion seems to be quite adequate to the situation: "not more than one percent of the adult population in this region [first two categories] control financial fluxes, manipulates the public opinion, and intimidates the rest of the population, using the repressive instruments characteristic to totalitarian states"<sup>12</sup>. So, the question is: who are these political and military elites of Transnistria that survived for the last twelve years and have overturned all attempts of Moldova's authorities and of the international community to resolve Transnistria's crisis?

## 2. Political and military elites of the DMR

On the eve of 2003, the Moldovan Ministry of Foreign Affairs renewed a warning for the embassies in Chisinau against issuing visas to Transnistrian leaders who want to travel abroad. The request was accompanied by a list with a few dozen names of high-ranking officials from Tiraspol, all of whom constitute the political elite of the separatist regime. Although the list was not published, these are well-known persons from "president" Smirnov's entourage.

Coincidentally, at the same time, the deputy of the Moldovan Parliament Vlad Cubreacov (from the opposition Popular Christian Democrat Party) asked the General-Prosecutor's Office to file criminal charges "of state crime ranging from the usurpation of power, harming of the constitutional regime, integrity and sovereignty of Moldova" against 59 high ranking Transnistrian officials. Twenty-four of them, according to Cubreacov, hold Moldovan citizenship (and Moldovan passports), including income minister Anatolii Blasko, natural resources minister Iuri Ceban, agriculture minister Boris Briznitki, education minister Elena Bomenko, former deputy of Moldovan Parliament and Transnistrian minister of finance Serghei Gradinari, and Anatolii Kaminski- the head of Tiraspol "local government". Others hold Russian or Ukrainian citizenship. "President" I.Smirnov, for example, holds Russian passport (series 500, number 337530), issued by the Russian authorities that allowed him till recently to travel freely abroad. Russian citizenship is held by important individuals such as G. Marakutsa, "speaker" of the "Supreme Soviet", V.Balala, minister of justice, and V.Shevtsov/Antiufeev, minister of security services.<sup>13</sup>

The issue is not just in a formal "dual citizenship", which now, after the vote of the Moldovan parliament late last year, is legally accepted in Moldova. According to Oleg Gudima, deputy minister of security, 250,000 Transnistrians already hold foreign citizenship. Approximately 100,000 of them hold Russian citizenship, nearly the same number have Moldovan citizenship, and 20,000 hold Ukrainian citizenship. The problem is that under the coverage of the Russian or other foreign citizenships, separatist leaders are openly refusing to comply with Moldovan laws and Moldovan sovereignty, are

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<sup>12</sup> O.Nantoi. The East zone conflict in the Republic of Moldova - a new approach, the *Institute for Public Policy*, Chisinau, 2002.

<sup>13</sup> *Moldova Azi*, Chisinau, January 9, 2003

pledging to join their “historic motherland” as “a subject of the Russian Federation”, and are challenging international community efforts to settle this crisis. As Dr. Charles King mentioned, “Russian citizenship and visa policy has encouraged the separatist regions to see themselves as effectively independent states”<sup>14</sup>. This is an important external dimension to state building in Transnistria, providing real incentives for local elites to oppose any attempt and plans to reintegrate the country. The next step might become “transplantation” of the Moscow “scenario” for Abkhazia and South Ossetia of Georgia. Russian government representatives resumed the handing of Russian citizenship “en mass” that lead to “ethnic cleansing” and disappearance of Georgia’s citizenship itself, to the evolution of the Russian informal “protectorate” into - what President Eduard Shevardnadze called - “an incipient annexation” of these secessionist territories.<sup>15</sup> During the last decade the Tiraspol administration evolved into a totalitarian, centralized and repressive political regime, maintaining a surprising unity of its political elite under the direction of the “life-time president” Igor Smirnov. The structure of this “super-presidential republic” is a pyramidal one, having on its base an “army” of public servants – local bureaucracy, judges, militiamen, a large group of elderly people “fanatically” nostalgic for the past Soviet-era, who idolized their “sacred father founder”, and representatives of an indifferent “amorphous mass”.

An important pillar of power is the criminal structures, which have coalesced with local government and their “colleagues” from Russia, Ukraine, Moldova and international clans. According to Dr. Mark Galeotti, British professor and expert on the problems of organized crime, the DMR “maintains an uneasy but peaceful relationship with 5 – 7 international criminal groups”<sup>16</sup>. If for “normal” states the link between corrupt governmental officials and criminal structures is a clear reflection of state weakness, for separatist regimes, like Transnistria, these connections serve as the base of their existence and unity. The fight for the sphere of influence in a legal and underground economy (the distinction among them is a symbolic one) is very atrocious and without compromise. In September-October 1998, 16 persons from the “Sheriff” company that were linked with criminal group competitors were physically eliminated<sup>17</sup>. During the late 1990s, when the “minister of internal affairs” was V.Kurisiko, a close Smirnov’s family friend, forty contract assassinations were committed- all of which were advantageous to the “Sheriff” company and remain as unsolved murders.<sup>18</sup>

Last September one of the “president” Smirnov’s advisers, Victor Siniov, responsible for the foreign economic relations of the Transnistrian administration, died under suspicious circumstances. Officially, the cause was listed as a “heart attack”- although his relatives and friends argued that V.Siniov never suffered from heart problems. Observers on the left bank of Dniestr do not exclude the possibility that this might be part of a brutal “settling of accounts”, mentioning contradictory relations of V.Siniov with the “security chief V. Shevtsov/Antiufeev”<sup>19</sup>.

<sup>14</sup> Charles King, “The Benefits of Ethnic War. Understanding Eurasia’s Unrecognized States”, in the *World Politics*, vol.53, N.4, July 2001, p.541)

<sup>15</sup> V.Socor “Moscow Prevailing Over the OSCE in Georgia” in the Institute for Advanced Strategic & Political Studies Briefings, January 23, 2003.

<sup>16</sup> *The New York Times*, 03.02.2002

<sup>17</sup> O.Nantoi. “About the situation in the East Districts of the Republic of Moldova (1992-2000)”, Chisinau, the *Institute of Public Policy*, 2002

<sup>18</sup> *Nezavisimaja Moldova*, 09.25.2001

<sup>19</sup> *Moldpres*, Chisinau, September 6, 2002

Tiraspol's "security ministry" is deeply involved in this struggle and has very close connections with the former senior officers from the ex-URSS and the ex-MSSR "KGB" and their successors from the Russian Federal Security Service (FSB). Since 1995, the FSB envoy was offered the office No. 47 in the building Tiraspol's "ministry of state security". "Minister" Sevtsov/Antiufeev and his "deputy" Gudima participated at the RF Duma elections in 1999 as Russian citizens on the list of the Zhirinovskiy's Liberal Democratic Party (LDP) and of the "Stalinist block for the USSR". This splice is very significant and symptomatic and does not represent an obstacle for "successful cooperation" of the legal Russian security services that includes their colleagues from the illegal separatist administration.

Special elite interests in Tiraspol and Chisinau, Kiev and Moscow have made conflict resolution a complicated task not only for Moldova, but also for the international community, significantly represented by the OSCE mission, as well. As Dr. Charles King observed "the links between corrupt central governments and the separatist regions have further imperiled already weak state structures while enriching those who claim to be looking after the states' interests"<sup>20</sup>. There is a strange compound of the geopolitical and economic interests of:

a) Russia, openly expressed by V.Zhirinovskiy, D.Rogozin, V.Alcnsnis and other Duma's hardliners (which regularly are visiting Tiraspol), and silently backed by the Russian government, that referred to Transnistria as "bridge head" to the Balkans and South-East Europe and to about 100,000 Russian citizens that "need to be protected from forcible romanization"<sup>21</sup>. Smirnov is regarded in this context as a "verified ally", even if his actions are sometimes beyond control of the Russian supervisors. Involuntarily this position was confirmed by Boris Pastuhov, in August 1998, the then Deputy Minister of Foreign Affairs, during the meeting with his Moldovan counterpart [the author of this Report]: "We know everything about this son of a bitch [I.Smirnov], but we have no time to deal with him...". This was, and still is, just a slightly covered excuse to not take actions against Russian citizen Igori Smirnov, which occasionally became leader of the separatist Transnistria "republic" twelve years ago, serving faithfully and with his utmost loyalty to Russian officials and unofficial supporters during this entire period;

b) Ukraine, whose political elite, under the smoke-screen of favorable for Moldova's integrity official statements, obviously is much more interested in expanding its own influence in this region, and in such a way to maintain I.Smirnov and his regime as a counterbalance to the Russian interests (hopefully to extrude and replace Russia), than in an successful and prompt solution of the conflict. Genadii Udovenko, member of the Ukrainian Rada and former Minister of Foreign Affairs, which headed a "Ruh" delegation to the celebration of the "anniversary of Transnistria independence", declared: "for the Ruh party, that brought Ukraine to independence, the fate of Transnistria, first of all of 300,000 Ukrainians of Transnistria is not indifferent...Transnistria formally is a part of Moldova, but this is not a communist region... There are 3 official languages here, Ukrainian, Moldovan and Russian. The economy is recovering and even Ukraine could learn from this experience...Twelve years past. The existence of the Transnistria Moldovan Republic is a fact and nobody can ignore it...Sooner or later international community will recognize Transnistria"<sup>22</sup>.

<sup>20</sup> Ibid, p.545

<sup>21</sup> Russian Duma did not ratify the OSCE Istanbul decisions on Moldova during more than 3 years, but it takes just a few days to accept and overwhelmingly vote in favor of the opening of a consulate in Tiraspol on the LDP initiative and at the request of Premier M.Kasianov, as the agency *RIA-Novosti* informed last October.

<sup>22</sup> G.Udovenko interview with Tiraspol journalist V.Kizka, Tiraspol, *OLVIA press*, 08.31.2002

Last December at the roundtable talks in Moscow, Yevheny Levitsky, special envoy for the Ukrainian President, proposed "a provisional official independence for the Transnistria region until a final settlement of the Chisinau-Tiraspol conflict". According to Levitsky, the Moldovan authorities should not interfere with the internal affairs of Transnistria, but should share the attributes for foreign economic activity: customs stamp, certificates and licenses<sup>23</sup>.

This "Ukrainian card" is actively played by Smirnov's regime. V.Litskaya, "Transnistria foreign minister", harshly criticized Russian policy in the region at the international forum in Tiraspol last June, emphasizing: "industrialization of the DMR started in the 30s as a component of Ukraine, intellectual potential of the republic was created in Ukrainians colleges. If Russia will leave Transnistria it will not be a catastrophe..."<sup>24</sup>. This policy has been actively supported by the Association of the Ukrainians of Transnistria, whose chairman, Vladimir Botnar, former vice-speaker of the DMR "Supreme Soviet" often visits Kiev with "consolidation friendship" missions.

Another important component of state building in Transnistria is the military elite which was established with active Russian assistance and on the basis of the Operative Group of the Russian Federation (OGRF). The former 14<sup>th</sup> Soviet (since 1992- Russian) Army was the main supplier of weaponry and officers to separatist armed forces. For example, the former commander of this army, Lieutenant General Genadii Iacovlev (1988-1992), became the first chief of the defense department of Transnistria, making a major contribution to the formation and equipment of Smirnov's regime military and paramilitary forces. Basic documents - concepts, doctrines, laws of Transnistria armed forces represent an abridged edition of the respective documents of the Russian federation, as their organizational structure is a "triplet" of the OGRF<sup>25</sup>. At the beginning of 2003, military and paramilitary formations of the "DMR" (10,000 personnel with the capacity to extend it within few days to 25,000) include units and brigades from the:

1) Ministry of defense ("Supreme commander" - I.Smirnov, "minister" - General Stanislav Hadjeev, presidential advisor - General Stephan Kitsak, personnel- 5,000) which comprises of: infantry (four motorized brigades dislocated in Tiraspol, Bendery, Ribnitsa and Dubossari, 2200 servicemen), artillery and air defense (two regiments in Tiraspol and v. Parcani, 400 personnel), armored (detached tank battalion, v. Vladimirovka, 120 personnel), communication (battalion in Tiraspol, 200 personnel), aviation (separate squadron, Tiraspol, 150 personnel), special maintenance (battalion and two bases in Tiraspol, training center, v. Afanasievka, 450 personnel), general staff (Tiraspol, 200) and other units.

The assets of the ministry of defense are formed by 18 battle tanks (T-64), 84 armored combat vehicles (24 BTR-60, 11 BTR- 80, 26 BTR-70, 12 BTR-D, 7 BRDM, 3 BMP etc), 110 fire support systems (18 units of 122 mm howitzers "Gvozdika", 45 of 120mm mortars M-120, 40 of 82mm mortars etc), 49 air defense guns (10 of 100mm AZP-100 guns, 24 of 23mm ZU 23-2 guns, 3 "Alazan" etc), tactical air defense systems (2 of the middle range air defense missile systems "Osa", 40 short range air defense systems "Igla"), and 30 antitank guided rocket systems, aviation (6 helicopters MI-8T, 2 helicopters MI-2, 1 aircraft AN-26, 10 aircraft IAK-52).

<sup>23</sup> *BASA-press*, Chisinau, 12.20.2002

<sup>24</sup> *Logos-Press*, No28, 08.09.2002

<sup>25</sup> Iurie Pintea "The military aspect of the conflict settlement in the eastern zone of the Republic of Moldova", the *Institute of Public Policy*, Chisinau, 2002, p.34

2) Ministry of internal affairs ("minister" - colonel A.Korolev, 700 personnel) comprises of: special force battalion "Dnestr" (Tiraspol, 400 personnel, equipped with 82mm mortars, antitank grenade launchers, handguns) and two patrol detachments (v. Pervommaisk and v. Parcani).

3) Ministry of state security ("minister" - general V.Sevtsov/Antiufeev, personnel - 1,500) comprises special force battalion "Delta" (Tiraspol, 150 - personnel., weaponry: armor personnel carrier (APC), grenade launchers, handguns), kossac border guard separate regiment (Tiraspol, 300 - personnel, 20 units of BTR-60, BTR-70) and border guard troops (8 detachments, 29 separate squads and 30 control posts).

4) The Cossack troops (the Black Sea Cossack Troops, commander - "ataman" V.Reabinschii, former officer of the Soviet special services, personnel - 3,000) are organized according to territorial principle (7 districts of Transnistria), representing a structural component of the Russian "Union of Cossacks, and having the staff of the commandment (30 personnel) on a permanent military duty).



A senior Cossack officer in Tiraspol

5) The corps of territorial defense (popular militia and civil defense, "commander" - colonel M.Ovcharov, served 30 years in the Soviet army, standing personnel-300, majority of whom are retired officers, can be increased in the case of "military threat" up to 2,000, weaponry - 150 submachine guns) is organized in 5 territorial battalions.

Among the other major factors that have contributed to the survival and consolidation of the separatist regime are: 1) the incompetent and irresponsible policy of the government officials of Chisinau that that for years demonstrated consistency only in fundamental and unilateral concessions to the Tiraspol administration and still lack a coherent vision regarding the problems of separatism; and 2) phobias and fears of the Transnistria population, skillfully implanted and manipulated by Tiraspol authorities - the so-called "overnight unification with Romania" and 3) the threat of enforced Romanization (which was an absolutely baseless fear after the communist party took the power in 2001).

### 3. Economic interests and mechanisms of the DMR

At the beginning of the 90s Transnistria's region accounted for about 40 percent of the GDP of the Soviet Moldova (MSSR). It produced more than 35 percent of the total industrial output, including 90 percent of the electricity<sup>26</sup>, all steel and rolled metal, and of the heaviest type of industrial equipment, construction materials, and a large part of the food processing industry, particularly in the canning industry <sup>27</sup> (the intensity of agricultural production in the region was 6 times higher than that of the

<sup>26</sup> The largest in the Balkans hydroelectric power station - "Dubbosarskaya GES" - with capacity of 2.5 mln kwt was located in this region, producing at that time enough energy for internal needs and for export. Now only 2 out of 12 blocks are functioning. An offer of Exxon-Mobile to create a joint venture in 2000 was practically rejected by local authorities and Moldovan Government (!) under the pressure of various Russian companies (Itera), which had "special interests", in this power station.

<sup>27</sup> Rybnitsa MMZ - one of the most modern in the ex-URSS Steelworks - whose share accounted for about 50 percent of the industrial production of the region, as well as about 100 other industrial enterprises, were built

same index for the USSR). Over-industrialization of Transnistria was a result of the Soviet conceptual approach – “*divida et impera*”- to divide Moldova by concentrating on the industry of the left bank of the Nistru River – a territory, which was included in the composition of the USSR since 1918, much earlier than that of the right bank. At the same time this economic potential, which was managed by the so-called “red directors” appointed by Moscow from diverse regions of the Soviet Union, has been used by separatist leaders as a main argument in favor of Transnistria’s “self-sufficient economy” and “viable independent state”.



Street Market in Tiraspol

In the last decade, the situation has changed because of the region’s self-isolation from the rest of the country and its failure to reform the economy<sup>28</sup>. That there are now many serious vulnerabilities in Transnistria’s economy. The most significant economic challenges include: i) low work efficiency and declaratory character of the legal basis; ii) low capacity of the internal market; iii) unresolved problems of ownership; iv) instability of the financial sector; v) shortages in agriculture and construction sector; vi) unfavorable conditions for entrepreneurial activities; and vii) considerable external debt and obligations to the outside world<sup>29</sup>.

V.Belitchenko, Chairman of the Economic Commission of the Supreme Soviet, describes the current situation in the economy of the DMR as a “critical one”. V.Belitchenko asserts that there are not only “errors in economic policy, but also a weakening of the public administration system”. Stressing that “nobody knows what is supporting the economy of the region”, authors of the Center for Strategic Studies and Reforms report indicated that the economic recession continued during the whole period of Transnistria’s “independence”. Transnistria’s GDP decreased in 1999 by 30 percent in comparison with the previous year, in 2000 - by 29 percent, and in 2002 - by 13 percent. Industrial output decreased during the last decade by 2.5 times, agricultural - by 4 times. The financial situation catastrophic and the negative balance of payments is one of the key factors<sup>30</sup>. So the question raised is: how has Transnistria’s economy managed to exist to the status quo...and how does one explain this “great elasticity” of its viability?

This so-called “paradox” can be explained by a simultaneous existence of the two “parallel” economies:

- 1) The “official”, which has avoided collapsing because of: a) de facto liberalization in a number of areas, including foreign trade; b) massive external subsidy, primarily free gas delivery from Russia (Transnistria unpaid debts for gas amounted \$ 800 million.) and c) partial reforms undertaken by authorities that were under the pressure of complete economic failure.

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in Transnistria. The quota of industry in the GDP is much higher than on the right bank, - almost 70 percent.

<sup>28</sup> See: The World Bank Report “Economic review of Transnistria Region”, June 1998; “Evolution of the Transnistrian economy: critical appraisal”, Chisinau, Center for Strategic Studies and Reforms, 2001. These are the most comprehensive analyses of the recent evolution of Transnistria economy

<sup>29</sup> In 2002, external obligations of Transnistria amounted \$ 1.1 bln, i.e. \$ 1,550 per capita, -equaling three times as much as the corresponding index for Moldova; INFOTAG, November 29, 2002.

<sup>30</sup> In 2000 - \$192 mln, or almost 100 percent of GDP, which is 20 times more than threshold value for this index.

2) The “unofficial” or “informal” sector (its size is at least 50 percent of the officially calculated GDP), for which, according to the World Bank Report, “de facto separation [from Moldova] and lack of structural reforms have provided a large window for opportunity for various form of shadow economic activities”<sup>31</sup>. Although it is difficult to estimate concrete figures and to delimitate the frontier of the “dual economy”, its existence is key to understanding the powerful economic base of the DMR’s survival and the prosperity of its leaders throughout the years.

The main mechanisms of money laundering and sources of corruption are:

- Transit (trafficking) of excise-duty goods through Moldova’s customs on the borders with Ukraine and Romania, under the coverage of the official seals “Republic of Moldova. Customs Tiraspol” (until September 2001)<sup>32</sup>. According to Moldovan analyst O.Nantoi, the volume of excise goods - alcohol, oil products, tobacco, beer etc - taken through customs in the Republic of Moldova and intended for Transnistria in the year of 1998 alone, constituted more than \$ 2.8 billion Moldovan Lei- 90 percent of which were contraband goods and represented fiscal evasion not only for Moldova’s budget, but also for Transnistria’s<sup>33</sup>. About 60 percent from 1.2 million tons of oil product -the volume that was annually imported through Transnistria and consumed by Moldova - constituted another channels of contraband, profitable for both banks of the Nistru River. Even timid attempts to block this illegal traffic are cruelly persecuted by criminal groups, closely spliced with governmental structures<sup>34</sup>.

In the personal testimony of Moldovan Ambassador to the USA Ceslav Ciobanu before the US Helsinki Commission was noticed, that only through the custom point Kuchiurgan – one of the 12 custom points on the Transnistria sector of the Moldovan-Ukrainian border – some 173.5 billion cigarettes, 17 million liters of ethylic alcohol and 13 thousands tons of poultry were smuggled into the Transnistrian territory during 2001. It is obvious that these products were not meant for the consumption by local residents, taking into consideration that the region’s adult population does not exceed 400.000 people. In reality, these products were illegally re-exported as contraband to other countries of the region and to the Western Europe<sup>35</sup>. President V.Voronin mentioned in one of his televised speeches (11.06.2002) that contraband and smuggling of weapons, alcohol, oil, drugs, pharmaceuticals, tobacco and other goods on the Tiraspol - Odessa line are bringing approximately \$ 2 billion a year to Smirnov’s regime, whose budget has amounted to a total of \$ 85 mln.

- Money laundering through Transnistria’s commercial banks (the banking system includes two states and 9 commercial banks), which have correspondent accounts in some commercial banks of Moldova, Russia, Ukraine and other states, allowing them to make financial transactions with CIS, European, American and other banks. President V.Voronin in the above

<sup>31</sup> “Economic review of Transnistria Region”, The WB Report, 1998, p. 3

<sup>32</sup> Moldova - Transnistria Official Resolution on the field of activity of customs authorities was signed on February 1996 by President Mircea Snegur and separatist leader Igor Smirnov

<sup>33</sup> The exchange rate equaled an average of 5.8 lei/US \$.

<sup>34</sup> For example, Eugen Grossu, Head of Customs Causeni of Moldova, tried to oppose the contraband, and as result was murdered in July 1999. O.Nantoi, “Conflict in the Eastern part of the Republic of Moldova - economic aspect”, Chisinau, June 2002

<sup>35</sup> Hearing before the United States Commission on Security and Cooperation in Europe. 107<sup>th</sup> Congress, September 25, 2001, Washington, D.C., 2001.

mentioned televised speech accused Moldovan "Petrol bank" in laundering \$ 584 mln "dirty money" in 2001 alone, from three Transnistrian commercial banks. Shortly after these revelations the name of the bank was changed into "Euro Credit Bank". The head of the "Petrol bank", Felics Goldberg, resigned as he was offered a position of the deputy chairman of the Transnistrian "Agroprombank", which is closely linked to the "Sheriff" company.

It is not easy to verify these figures and to have exact and clear evidence that money trails lead from/to Tiraspol to Chisinau, Moscow, Kiev and other capitals. Experts of the Moldovan Public Policy Institute have done one of the most interesting and credible analyses of this event. According to them, in 2000, foreign financial flows inputs (receipts) to Transnistrian commercial banks through Moldovan commercial banks amounted to \$ 20.7 mln, while outputs equaled \$ 146 mln. During the fourth quarter constant transfers of funds from Transnistria totaled \$ 133.08 million, all of which were not of an economic nature. They are known to come from the Russian Aerobank. It is also understood that they are transferred through the Transnistrian Agroprombank, via a commercial bank from Moldova to the account of the Aerobank in Yugoslavia. On September 30<sup>th</sup> the General Department for combating economic crime of the Russian Ministry of Internal Affairs declared it had revealed an Aerobank "bank swindle" and that it had searched all 15 branches of this bank. This was not just a simple coincidence. So, the conclusion is, with high probability, that the \$133.08 mln really represented money laundering from Russia to Yugoslavia fulfilled through Transnistrian and Moldovan banks<sup>36</sup>.

- Production of armaments and illegal weapons traffic constitute the most important factor of the economic and military policy of the Tiraspol administration, and the biggest source of revenues for its corrupt elites. During military conflict (June 1992), Transnistrian enterprises of the ex-Soviet military-industrial complex produced only a few types of the simplest armaments ("simple" in terms of a technical point of view). Since 1995 they manufactured 50 Mobile Launcher Rocket System BM-21 type "Grad" and 250-300 systems type "Duga"; 200-230 units of 82 mm and 120 mm Mortars; 1000 antitank grenade launchers with gun-carriage SPG-9 and portable antitank grenade launcher RPG-7; 1100-1200 units of 9 mm sub machine gun, 9 mm pistol PM and 5.45 mm pistol PSM; antipersonnel and antitank mines etc.

The main producers in serial of this weaponry are:

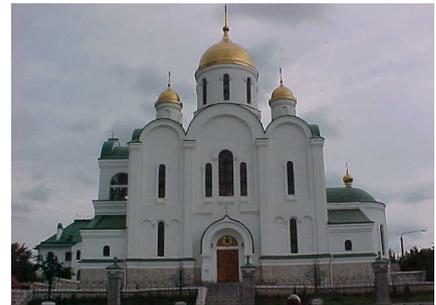
- The Mechanical Factory "Pribor" (Bendery, June 28 str.), until the end of 1999, produced 47 Mobile Rocket Launcher System BM-21 "Grad" with 20 disposable rocket tubes. Twenty of these systems were transferred to the Transnistrian armed forces, and an intermediate Russian company sold to Abkhazia through Bulgaria undercover;
- The Steel works MMZ (Rybnitsa, Industrialinaya 1 str), launched in 1997 the production of 82 mm and 120 mm mortars (5-7 units per week, 200 - 260 annually, which overwhelmingly exceeded the necessities of Transnistrian army), antipersonnel and antitank mines (PMD type), antipersonnel 40 mm grenade launchers GP-25;
- The factories "Elektromash" (Tiraspol, Sacrier 1 str), "Electroagregat" and "Metalorucav" (Tiraspol, Lazo 7 str), produce submachine guns AK-7.62 mm, AK-5.45 mm, 9 mm pistol PM and 5.45 mm pistol PSM, antitank grenade launchers SPG-7;

<sup>36</sup> "Role of the financial factor in the settlement of the Transnistrian conflict", the Institute of public Policy, Chisinau, May 2002

- The "Kirov" casting factory (Tiraspol, Sacrier 2 str), produce original grenade launchers NPGM-40 for sub machine guns AKS-74.
- The machine-building factory (Bendery, Rascoalei 5 str) launched the production of grenade launchers type "RPG" and "Muha"<sup>37</sup>.

Obviously, without the help of the engineers, experts, and inventors from the Russian Federation, the technological process for this weapons production would not have even begun. Among the skillful weapons production leaders are: Vladimir Casperevich, Nicolai Bazarov, Vladimir Kolomoitsev and Victor Golicov, all of whom represented talented inventors that served the 14<sup>th</sup> Russian Army. They created an experimental laboratory within the Transnistrian military-industrial complex (MIC) for design and production of new types of weapons, working in close cooperation with the Russian Ministry of Defense military office, located in the factory for machine repairing (Bendery). The separatist administration consolidated this dimension by organizing a special "ministry of defense industry" (headed by leaders of the MIC, Veaceslav Sapronov and Peotr Denisenko), establishing close cooperation with the Russian weapon production and commerce concern "ROSSVOORUJENIE", procuring from Russia necessary for modern armament technologies and equipment; launching production of apparatus, including electronics; and assembly for the Russian MIC enterprises.

According to Moldovan, Russian and the international press, the regime has collaborated with companies from Bulgaria, Israel, Iran, Iraq, and other various Arab countries that specialize in production and commercialization of weapons and military equipment under the umbrella of the powerful "Sheriff" holding company<sup>38</sup>. Controlling 70 percent of the economic potential of the region, "Sheriff" is the main instrument of contraband, illegal trafficking, including weaponry, and at the same time - its principal beneficiary. By "president" Igori Smirnov's decree, Vladimir Smirnov's (the president's son), "Sheriff" was exempted from all taxes and endowed with exclusive rights on import-export transactions with gas, oil, tobacco, and alcohol. The holding takes on the majority of Transnistrian banks, factories, gas stations, and telecompanies, including mobile telephony<sup>39</sup>. Armaments, ammunitions, military equipment are "exported" from Transnistria by virtual or real companies (like "Sheriff") under the protection of the DMR "security ministry" and coverage of "legal" or forged Moldovan custom's documents through Ukrainian ports Odessa, Ilichiovsk, and through Romanian ports after



Tiraspol's Russian Orthodox Church is rumored to have been build with criminal funds.

<sup>37</sup> The Moldovan Public Policy Institute published the most comprehensive analyses of the military aspect of the conflict settlement in the Eastern zone of the Republic of Moldova. "Aspecte ale conflictului Transnistrian, Institutul de Politici Publice, Chisinau, 2001 (the author of the respective chapter is Iurie Pantea). See also William R.Nelson Institute for Public Affairs of James Madison University publications, particularly: "Illegal Weapons Traffic in Eastern Europe", 2001, and " The stability of the separatist regime in the eastern region of the Republic of Moldova: a post-electoral analysis, 2001".

<sup>38</sup> The murder of criminal authorities, "*Dnestrovskaya Pravda*", June 2, 1995; Portfeli dlea kilera, "*Argumenti I Facti*", January 15, 2002; Michael Wines, Trans-Dniester 'Nation' Resents Shady Reputation, "*The New York Times*", March 5, 2002; Judy Dempsey, Nato soft pedals on Russian arms treaty breach, "*The Financial Times*", October 1, 2001; Elisabett Bourba, In the Osama's supermarket, "*Panorama*", February 4, 2002; Problems with Transnistria, "*Jane's Intelligence Review*", September 24, 2002

<sup>39</sup> "*Nezavisimaya Moldova*", November 13, 2001.

the naval shipment was established in August 2001 on the lanes Reni (Ukraine) - Tulcea (Romania) and Reni - Galati (Romania).

The underlying obstacle to the resolution of the Transnistrian conflict, as it is mentioned in the UK Department for International Development (DFID) Report on Moldova, - is not the impossibility of finding a solution within the bounds of national sovereignty but the economic perspectives of the various elites. The Transnistrian "state" is run by the President, his son and their company - Father, Son and Sherriff. The machinery of the "state" is used to advance their interests with scarcely any show of legitimate process. Meetings with officials are simply expositions of an agreed party line. Questions about controversial matters are never answered. A parallel could be drawn with Moldova, where the President's son -Oleg Voronin- is one of the richest businessmen, and his family - despite communist pretensions- are as deeply embedded in the activities of the economic elite as anyone else. It is not clear how genuine the Moldovan President's attempts to challenge smuggling have been. He proposed that only new Moldovan-issue Customs stamps would be recognized and the Transnistrians would thereby lose their right to act as collectors of Moldovan Customs dues. Moldovan officials were to be placed at checkpoints on the Ukraine-Transnistria borders that still do not happened<sup>40</sup>.

The transparency and violability of the Transnistrian segment of Moldovan-Ukrainian border (425 km) was assured for years because of:

1) The weaknesses and incapacity of Moldovan authorities to insist on the Republic's vital responsibility to prioritize the security of the border as its most important duty at the negotiations with the Ukrainian representatives. Oazu Nantoi, emphasizing the "incapacity of the Republic of Moldova political elite to consolidate on the bases of the necessity of reestablishment of the territorial integrity of the Moldovan state, its incompetence, corruption and amorality", came to the conclusion that in such a way Moldova "contributed to the consolidation in all aspects of the anti-constitutional regime"<sup>41</sup>. The same ideas, even in a more rectilinear form, were exposed by President V.Voronin many times, particularly, in characterizing the Christian Democratic and Popular Party's large scale anticommunist and organized meetings of last spring as "sponsored by Transnistrian leaders" and supported by Romania, - a statement that directed Moldo-Romanian relations into a deep political crisis.

2) The reluctance of Ukraine to support Moldova's Government efforts to a close frontier – also known as an abysmal "black hole", and reluctance to establish joint customs posts on the border under the pretext of the "absence of necessary legislation". De facto, Ukraine blocked these measures of the Moldovan government, as various Ukrainian (G.Udovenko, member of the Rada, former Minister of Foreign Affairs) and Transnistrian representatives (Yuri Ganin, deputy "ministry of industry") recognized it<sup>42</sup>. The Moldovan President accused Ukraine at the end of 2001 of playing "dual games" [not without arguments], which provoked a heated exchange of

<sup>40</sup> Moldova: Strategic Conflict Assessment and Peace-Building Framework. Independent Report for DFID, 2002, p.17

<sup>41</sup> O.Nantoi, About the situation in the east districts of the Republic of Moldova (1992-2000) in "Aspecte ale conflictului Transnistrean", Chisinau, 2001

<sup>42</sup> "Edinii tamojennii organ I edinoe tamojennoe prostranstvo - ne odno I to je" in "Kommersant Plus", September 9, 2002.

diplomatic notes between two ministries of foreign affairs, and caused an additional deep political crisis with Ukraine.<sup>43</sup>

3) The Transnistria region has become a de facto “free economic zone” for Russian capital and for numerous illegal transactions. Many powerful Russian companies, like “Gazprom”, “Itera”, “Lukoil” are present there, establishing control on various branches and enterprises. Itera, for example, holds control of majoritarian package of shares at Rybnitsa Steel works (75 percent). All these companies have very strong position in the Moldovan economy. Therefore it can be concluded that: i) economically, Moldova and Transnistria were, de-facto, re-integrated, by the Russian capitals, ii) it doesn't matter if this situation is not yet officially recognized,<sup>44</sup> and iii) formal borders between the two banks of Nistru River still exist.

#### 4. Conflict Resolution: the Russian military factor

Conflicts and their solutions in post-Soviet states affect the particularly sensitive areas of human rights and self-determination, national identity and inviolability of borders, spiritual renaissance and cultural heritage, democratic values and economic transformation. Conflict resolution for Transnistria, as well as for other “hot spots”, such as Abkhazia, Nagorno-Karabakh, Chechnya, becomes a subject (and “headache”) of a scholar's research, of international forums and of debates within institutions. Finding reasonable and applicable solutions is not only important for the independence and sovereignty of involved countries, but also for the security and stability in these regions and in the world as a whole in the present evolvement of globalization. After the 9/11 terrorist attacks on the United States, it became obvious that the unresolved “local conflicts” are generators of instability and of separatism and are linked, in many ways with the threat of terrorism and the proliferation of weapons of mass destruction.



Alexander Lebed

In this context, the problem of particular interest is the Russian military presence in Transnistria and its role in conflict settlement with separatist leaders. The question is: do Russian troops in the Republic of Moldova constitute a source of stability factor or are they part of the threat?<sup>45</sup>

The Soviet 14<sup>th</sup> Army and its successor- OGRF (Operative Group of Russian Federation) has been a crucial factor in the consolidation of Transnistria's independence and in the creation of the Transnistrian “army”. The structure of the Transnistrian army is an exact replica of the OGRF in that, military personnel consist of officers and sub-officers from the same source and in the same proportion as the military personnel of Russian forces (which has been reduced). The Commander of the 14<sup>th</sup> Army in the earlier 90s (1988-1992), General G.Yakovlev, accepted the post of the “DMR Minister of Defense”. His successor, General Alexander Lebed (1992-1995), contributed

<sup>43</sup> Leader of Ukrainian communists, Piotr Simonenco, ideologically closed and being supported by his Moldovan colleagues, accused Kiev in “facilitation the contraband with armaments from Transnistria”, according press Agency Ukrainski Novni, cited by on-line magazine [www.lenty.ru](http://www.lenty.ru), September 16 2002

<sup>44</sup> Yuri Ganin in an interview to “Kommersant Plus” correspondent I.Leteaga (September, 2002) brought many interesting facts that confirmed the thesis of the above-mentioned issue.

<sup>45</sup> The Moldovan researcher Mihai Gribincea is the author of the most comprehensive analysis of problems related to the historical background, realities and prospects of the Russian presence in Moldova: “Trupele ruse in Republica Moldova? Factor stabilizator sau sursa de pericol”, Chisinau, Stiinta, 1998

directly to the violent escalation of the armed conflict in June 1992 and to the decisive military defeat for the Moldovan side, intervening on behalf of the Transnistrian side and securing the “DMR” de facto independence.

When the Republic of Moldova proclaimed its independence in August 1991 there were about 30,000 Soviet soldiers in 36 military garrisons on the Moldovan territory, and 45,951 tons of ammunitions - the largest storage of armaments in Europe - stockpiled in Transnistria. The agreement, which was stipulated the evacuation of the Russian troops and ammunitions in three years, was signed in October 1994 between the Russian Federation and the Republic of Moldova. Furthermore, the agreement was not implemented under the formal motive that the Russian Duma had not ratified this document declaring Transnistria “a zone of strategic Russian interests”. From that period onwards, 22 bilateral agreements and protocols regarding this issue alone were signed; the majority of which were never executed<sup>46</sup>.

The close relations between separatist leaders and Russian military forces in Transnistria, as well as in the North Caucasus, are a matter of public knowledge. For example in accordance with the decree of the Russian Federation, (No 1341, December 2, 1994), from Colbasna depot, 35 “dual use” technical units and 160 tons of other equipment were transferred to the “DMR” army. Two years later the Russian government approved the transfer to the separatist authorities of an additional 150 technical units and 3,000 tons of other goods from this depot.<sup>47</sup> There are also some other channels of currency inflows connected to the presence of the military contingent of the Russian Federation in Transnistria. According to a World Bank Report even conservative estimates indicate that the annual transfer for salaries to the OGRF staff could exceed US\$10 million, based on the fact that the OGRF employed about 6,500 people in the mid 90s.<sup>48</sup> Although this figure has reduced since the 90s, the military presence “continues to be a boon to the Transnistrians, providing civilian and military employment for local citizens and a sense of security for the unrecognized regime”<sup>49</sup>.

These issues became the subject of long and complex debates in international organizations, including the UN, the OSCE, the United States Helsinki Commission (September 2001, “Moldova: Are the Russian Troupes Really Leaving?”)<sup>50</sup>, the Woodrow Wilson International Center (special seminar in October 2002<sup>51</sup>; the author of this Report was among initiators and participants of both events).

The participants in this seminar stressed that the OSCE’s 1999 Istanbul Summit decisions represented a fundamental shift in how the issue of Russia’s military presence in Moldova and Georgia was addressed. The following represents the significant actions decided upon by the Summit: 1) it committed the Russian government to a concrete deadline in place of a previous expression of general

<sup>46</sup> See: Stuart Kaufman and Stephen Bowers, *Transnational Dimensions of the Transnistrian Conflict*, in *Nationalities Papers*, 1998, no.1; C.Neukirch, *Transdnistria and Moldova: Cold Peace at the Dnestr*, in the *Helsinki Monitor*, Volume 12, 2001. No.2; *The Stability of the Separatist Regime in the Eastern Region of the Republic of Moldova: A Post-Electoral Analysis*, William R.Nelson Institute for Public Affairs, 2001

<sup>47</sup> Mihai Gribincea. *Trupele ruse in Republica Moldova*, pp. 95-96

<sup>48</sup> *Republic of Moldova: Economic Review of the Transnistria Region*, June 1998, Washington, D.C., World Bank, 1998, pp 19-20

<sup>49</sup> Charles King. *The Benefits of Ethnic War in the World Politics*, Volume 53, No 4, July 2001, p.540

<sup>50</sup> Hearing before the Commission on the Security and Cooperation in Europe. 107<sup>th</sup> Congress, First Session, September 25<sup>th</sup>, 2001, Washington, D.C., 2001

<sup>51</sup> Woodrow Wilson International Center for Scholars Occasional Paper #284 “The 1999 OSCE Istanbul Summit Decisions on Moldova and Georgia: Prospects for Implementation”, Washington, D.C., 2002

good will; 2) it revealed the importance of the consent of Moldova and Georgia for the Russian military presence; 3) it moved the issue from bilateral debates to a multilateral framework including the OSCE, and 4), most importantly, it linked the issue of Russia's withdrawal of its troops and armaments to the adapted Conventional Forces in Europe (CFE) treaty, a program of high importance to Russia, the United States, and Western Europe.

Based upon such observations and facts, it is important to ask what the present status of this issue is and how it relates to the Transnistria's conflict resolution.

By the end of January 2003, a new trainload of Russian military hardware – seven out of at least 140 necessary to evacuate about 40,000 tons of ammunition of the Operative Group of Russian Federation - left Tiraspol. The trainload, like previous loads, carried out only military engineering equipment and spare parts, and did not include any ammunition. In spite of the withdrawal of shipments and troops, the structure of the OGRF has remained almost similar to the structure of the 59<sup>th</sup> Infantry Motorized Division, dislocated from Soviet times in the region: infantry brigade, tank regiment, artillery regiment, air defense missile regiment, antitank artillery battalion, reconnaissance battalion, communication battalion etc. Until recently the provision of the Russian troops had registered also insignificant changes: 115 main battle tanks T-64 in 2000 (versus 120 in 1994), 130 armored combat vehicles (vs.160), 128 cannons (128 in 1994). Military analysts explained the difference between the quantity of Russian military equipment and armaments in the years of 2000, 1994 and 1992 by analyzing facts regarding its transfers to the "armed forces of DMR". Military potential on the left bank of the Nistru River remained practically the same, net superior to that of legitimate Moldovan armed forces.<sup>52</sup>

However, under pressure from the international community and in accordance with the Istanbul (1999) OSCE Summit decisions and the adapted CFE Treaty, Russian leaders took advantage of considerable financial assistance, first of - from the USA (a \$14 mln. contribution placed into the special voluntary fund managed by the OSCE) and officially declared its commitment to fulfill the undertaken obligations. Some changes occurred in 2001, when the OGRF, according to Ambassador William Hill, who was re-appointed as Chief of the OSCE Mission in Moldova in 2003, overcame Transnistrian resistance and destroyed or withdrew all of its heavy weaponry. Meanwhile, in November 2001 Smirnov's regime resumed the resistance and blocked the process of withdrawal for almost another year.<sup>53</sup> The Russian officials used this fact, along with the "transit of trainloads through Ukraine", as "an excuse" for not completing the withdrawal of all troops and armaments by December 31<sup>st</sup> 2002, as it provided the Istanbul decisions. The Speaker of Russian Duma G.Seleznirov invoked these "circumstances" during his October 2002 visit to Chisinau. The delay, according to G.Seleznirov, is not a result of Moscow's "bad intentions" because Russia remains "firmly committed" to the new deadline for withdrawal. The last OSCE Ministerial Summit at Porto in December 2002 rescheduled it for the following year, - to December 31<sup>st</sup> 2003.

The following represent some of more significant circumstances for reassessment of the role of the Russian military factor within the Transnistrian conflict resolution process:

- 1) For the first time, the Transnistrian conflict focused its attention and efforts on the White House, the Kremlin and the European Union. This fact is reflected in the joint statements of President Putin and President Bush during the visit of the American president to Saint-Petersburg

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<sup>52</sup> Aspecte ale conflictului Transnistrean, p.104

<sup>53</sup> Woodrow Wilson International Center Occasional Paper #284, December 2002

(May 2002), as well as Bush-Voronin pronouncements during Voronin's first official visit to the US (December, 2002), and the statement of the Dutch President on behalf of the EU (December, 2002). Thus, the Transnistrian issue is no longer "a personal affair" of separatist leaders or just an objective (although the main) of the Moldovan President. The concept of "synchronization" of the withdrawal of Russian troops and armaments with the settlement of the conflict, which blocked its resolution during years, can now be reversed. Acceleration of the withdrawal according to the new OSCE schedule inevitably facilitates the settlement, depriving separatists from this "card".

2) The technical aspect of the withdrawal of Russian ammunition and troops is a problem, but not an insurmountable obstacle, as some Russian, Ukrainian and Transnistrian officials tend to believe. Even the OGRF demonstrated that technically it is possible to withdraw prompt and timely ammunitions and to destroy the "third category" - non-transportable and equipped fuses (ready to use). According to military experts' calculations, the withdrawal requires only 5-6 months and not years and years, particularly by using the two modern cameras for weapons dismantling, provided by the American and German companies on the OSCE mission request (access of this modern equipment to the Russian military depot in Colbasna was blocked by separatists for more than one year).

From a technical aspect, one of the most underestimated problems is the existing rhythm of armaments transit throughout the territory of Ukraine due to restrictions imposed by Ukrainian part (limited quantity of cars with ammunition - 10, and prohibition of simultaneous transit of two or more military transports). However, President Leonid Kuchima's final statement regarding Ukraine eagerness to contribute more actively to Transnistrian conflict resolution matters (February, 2003) inspired more optimistic prospects. After all, there is the comparable experience of withdrawal, in quantity and quality, by the Soviet Army's armaments and troops from Central European countries. In 1970s and 1980s it only took 30-40 days to withdraw!!!<sup>54</sup>

3) The new environment, which required the reevaluation of the Russian military factor, is linked with three new circumstances: a) the proposal under the auspices of the OSCE Federalization plan for Moldova, as a base for conflict settlement and reintegration of Transnistria, and b) Romania's accession to NATO, and c) motivated by this fact, persistent interest of Moscow to maintain its military presence in the region by changing the status of the OGRF, for example, into "peacekeeping forces" under the OSCE umbrella.

The federalization project, proposed last July in Kiev, contains a proposal of peacekeeping operation under the OSCE aegis. Ambassador W.Hill observed recently: "I do not rule out the participation of an OSCE-member country in this operation [Russia] but it must be really international and ensured by a truly international contingent, which should be entirely different from the current one"<sup>55</sup>. This is a very significant statement because the continuing presence of Russian troops and material in Transnistria and their eventual transformation into "peacekeeping forces" may cause rather than prevent destabilization. The historical background of debates on this subject is very relevant for such a conclusion.

The Agreement "On principles of conflict settlement in the Transnistrian region of the Republic of Moldova", signed on July 21 1992 in Moscow by the Russian and Moldovan Presidents, clearly

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<sup>54</sup> See Iurie Pinte. The Military aspect of the conflict settlement in the Eastern zone of the Republic of Moldova, Chisinau, 2001, chapter 3.

<sup>55</sup> William Hill: Federalization is a reasonable solution, Chisinau, *BASA-PRESS*, February 3, 2003

stipulates that the 14<sup>th</sup> Russian Army will keep a neutral status in the Transnistrian conflict and will not be involved in any peacekeeping operation in this region. The Russian side has never respected this principle and later on the Republic of Moldova accepted de facto Russian armed forces as peacekeepers, particularly by signing in March 1998 the Odessa's Agreement. According to some Moldovan and International experts this was the biggest political mistake of Moldova's leaders. These actions blocked the conflict resolution process thus transforming entire "peacekeeping" operation into "operation of the conflict preservation and protection of separatist regime, assisting for its consolidation"<sup>56</sup>. As political analyst V.Socor mentioned, Moscow, seeking for an exclusive role of military "peacekeeper" in post-Soviet areas and "diplomatic mediator" in the local conflicts that it had itself sparked, prefers to obtain some sort of "international peacekeeping mandate" for those troops, or the publicly recognized status of "temporary stationing". According to another and most likely option - to maintain its military presence de facto, without an international mandate and official Moldovan consent, - some type of Kaliningrad enclave on the Dniester River<sup>57</sup>.

## 5. Conflict Resolution: External factors

The Transnistrian problem represents one of the most controversial and - at the same time - most meditated post - Soviet conflict resolution issues at international forums and in the local and international mass media. Since its genesis, and particularly during a brief but bloody armed confrontation in the spring of 1992, it has become a subject of various statements by the UN, the CSCE, NATO, the USA, Great Britain and other organizations and countries in support of Moldova's efforts to find the solution in the framework of an integral, sovereign and independent state, and to



Gagazia Crest

withdraw the Russian troops and armaments. According to some analysts, if Moldova's leaders would take a consistent political position, Moldova would benefit from the international community's support and it would possibly settle the situation at the earlier stages of the conflict's evolution.<sup>58</sup>

An issue of a special interest in this respect is the conflict management activity of the OSCE Mission in Moldova (inaugurated on 27 April 1993), in spite of the fact that the OSCE had failed to undertake effective preventative action in 1992. Ambassador W.Hill, the leader of the OSCE's Mission's mandate, mentioned in his testimony before the US Helsinki Commission that the Mission' role is: i)"facilitate negotiation of a political settlement", ii)"follow military and security developments and iii) to encourage the withdrawal of foreign troops and armaments", iv) "assist in the process of democratic reforms and implementation of CSCE/OSCE commitments, in particular with respect to human rights", and v) administrate of "an OSCE Voluntary Fund to support withdrawal of Russian troops, arms, and ammunition from Transnistrian region"<sup>59</sup>.

<sup>56</sup> Aspecte ale conflictului Transnistrian, pp.82-93, 103-105; M.Gribincea, Ibidem, pp. 69-85

<sup>57</sup> V.Socor, Perspectives from the "Near Abroad" on Relations with Russia, in the Institute for Advanced Strategic & Political Studies Briefings, No 9, December 9, 2002

<sup>58</sup> M.Garaz. Juridical evaluation of the peacekeeping process in the Transnistrian conflict according to the International Law norms in "*Aspecte ale conflictului Transnistrian*", Chisinau, 2001, pp.82-93

<sup>59</sup> Hearing before the Commission on Security and Cooperation in Europe. 107<sup>th</sup> Congress, September 25, 2001, Washington D.C., 2001

One of the most important tasks of the Mission is the implementation of the OSCE (1999) Istanbul Summit decisions on withdrawal of the Russian troops and weaponry. The failure to meet the deadline established by 55 head of states, (as it was analyzed in the previous chapter) raised many questions, particularly that of consistency of the OSCE as the institution conscripted to implement the international community's political will and decisions. Vladimir Socor, senior Fellow of the Institute for Advanced Strategic & Political Studies and well known for his unrelenting criticism of this organization, emphasized in one of his recent comments that "the OSCE is consistently failing in its tasks [in the ex-Soviet regional conflict's resolution]...being largely paralyzed by its consensus rules, which gave Russia effective veto power over the organization's decisions".<sup>60</sup>

The problem is not dormant. It concerns, first of all, last July's proposal under the aegis of the OSCE Federalization Plan as a mechanism for the reintegration of the country and the settlement of Transnistria's status. Its implementation is not only a test of the credibility, capabilities and prospects of the OSCE, but it is also a chance for a reasonable solution of this old dispute that lasted for eleven long years (many officials and analysts from both banks of the Nistru River are considering it a realistically feasible solution and perhaps the last resort). Obviously, there is no perfect, universal applicable solution for such "frozen and postponed" conflicts like those of Transnistria. It is equally evident, that there are no absolute guarantees that even a perfect for the moment model will be implemented properly and will bring the ideal results overnight. Among the most important advantages of the proposal by the OSCE Federalization Plan (without elaborated observation) are:

a) A solid background of more than a decade of negotiations at various levels, including summits, of intensive round-table public diplomacy and conflict resolution workshops that resulted in impressive numbers of bi- and multi-lateral protocols and documents. The dialog between the two parts, including that with civil society, has assumed different forms and degree of intensity. It is important to note that this dialog never ended. As Claus Neukirch, a Research Fellow at the Center for OSCE Research in Hamburg stressed, "the parties are today very well aware of the existing and theoretical models of autonomy, federalism and related concepts and they know very well the positions and interests of the other side".<sup>61</sup> Various options, models of re-integration have been considered. However, now is the time to extract lessons from international and national experiences, and to focus on concrete mechanisms of implementation of the proposed model. With this said, one must take into consideration that there is no single ideal federal form and that federalization is not a panacea, rather, it is the instrument of state building.

b) In recent years the OSCE Mission in Moldova received significant political support from the OSCE Parliamentary Assembly (which created a special Team on Moldova that is headed by Finnish MP Kimmo Kiljunen), from the European Union structures, the Stability Pact for Southeastern Europe, from mediators countries, from the USA and other international institutions and countries. This support is now extended to the Federalization Plan for Moldova.

President Voronin's recently published draft of the new "Plan of final settlement of the Transnistria problem" (February 9<sup>th</sup>) is an important step, representing the missing "link" in the whole mechanism of the re-integration of the country according to the proposed Federalization project. Its broad discussion with civil society, opposition parties and independent NGOs, provided by

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<sup>60</sup> V.Socor "Will This OSCE Guard Dog Ever Bark?" in *The Wall Street Journal. Europe*, November 15-17, 2002

<sup>61</sup> *Helsinki Monitor*, Volume 12, 2001, nr.2, p.130

this elaborate plan and adoption of a new Constitution according to the internationally accepted procedures and provisions of Moldovan legislation, will offer a legal base and necessary instruments for conflict settlement and rebuilding of the Moldovan state at the federal level. Expecting a positive reaction from international organizations, President Voronin emphasized "I don't think their position will be just contemplative, for this is not only Moldova's and its guarantors' problem. This is a regional problem".<sup>62</sup> Moldova can also gain political benefit and support from the Council of Europe (CoE) Committee of Ministers, as it waits its turn to take over the rotating chairmanship of this important organization next May. It should be noted that in order for this to occur, it is necessary for the Moldovan government to adjust its policy in accordance with the CoE requests and democratic rules.

c) The Republic of Moldova has gained important advantages throughout its years of independence as well as in its experience with reforms and democratization. It also benefited from considerable economic and financial support from international financial institutions, USAID, and EU, etc. Although intensely criticized by the current communist authorities, this period was marked by radical economic reforms, successful privatization, democratic transformations and the creation of democratic institutions, including free elections, from which, the communist party benefited in February 2001. Moldova's economic, socio-political structures are totally different from that of Tiraspol's Soviet style regime. It will take time-and reconciliation of principles-to resolve these incongruities in a functional federal state.

d) The keys for successful federalization and smooth economic re-integration of Moldova lie in decentralization and effective regional self-administration based upon the proposed project and in conjunction with standards of the European Charter of the Local Self-Administration (ratified by the Moldovan Parliament in 1997). "Ideology of local self-administration (rights and obligations of the region, ownership, sufficient budget), as recently stressed authors of the Moldovan Center for Strategic Studies and Reforms Report, could serve for the Republic of Moldova and Transnistria as a quite acceptable platform for bringing them closed to each other, regardless of the type of the future "common state".<sup>63</sup> An argument in support of this thesis is the complementary character and weakness of both Moldovan and Transnistrian economies, their overwhelming dependence from imported resources (basically from Russia) and export oriented character (the quota of the export in the GDP, for example, is about 50 percent).

e) A favorable environment and strong incentive for the reintegration on the Federalization plan basis (particularly, for Transnistrian region) is established by the Partnership and Cooperation Agreement, which Republic of Moldova signed with the EU (1994), the accession of Moldova to the World Trade Organisation (2001) and, in the case of acceptance by Transnistrian leaders of the proposed Plan, - an eventual US recognition of a "market economy" status for Moldova<sup>64</sup>. The economic aspect and benefits of re-integration were never emphasized as of paramount importance at the negotiations. Meanwhile, these exact issues have multiplied the effects (positive or negative) to the entire concept and practice behind federalization. According to Transnistrian "minister of economy" Elena Chernenko, the losses of the regional industrial complex in 2002

<sup>62</sup> "Voronin Says New Constitution Will Permit To Solve Transnistrian Problem" in *Moldova Azi*, February 12, 2003 (<http://www.azi.md/news/?ID=22820>)

<sup>63</sup> Evolution of the Transnistrian economy: critical appraisal, *Centrul de Investigatii Strategice si Reforme*, Chisinau, 2002, p.13

<sup>64</sup> This can lead to cancellation, or at least - to significant reduction, of the US sanctions against steel bars and other steel materials export to the USA from Reunites Steel Works - "MMZ").

accounted for \$170 million due to the introduction of new customs rules and the need for receiving certificates. The industrial indices of the Rybnitsa Steel Works were reduced by \$111 million. At the same time trade volume between two banks had been diminished by almost 50 percent.<sup>65</sup> As US Ambassador Pamela H. Smith observed, the reintegration of the country "would have overwhelming benefits for the people of all parts of Moldova by promoting stability, economic growth, and the rule of law".<sup>66</sup>

There are, of course, potential risks associated with federalism and its implementation could have high economic costs. There are some incongruities of ideological, psychological, cultural and social ideas as well as other characteristics on both parts of the Dniester River – all of which will be very difficult to overcome. Even the ability of current central (Moldovan) and regional (Transnistrian) administrations to overcome such differences is questionable. International experts believe that, "federalization (for regions or whole countries) is neither as risky as its critics imagine nor as costly as many of its alternatives".<sup>67</sup> According to Smirnov's accounts, the total cost of the federalization amounts to a minimum \$500 million, which, with the reference to the same source, is equal to the cost of the ammunition withdrawal. This figure is almost 10 times more than the Transnistrian budget and four times less than the roughly estimated annual profit of its mafiotic clan from contraband, smuggling, and money laundering (\$2 billion, as President Voronin mentioned in one of his televised speeches).<sup>68</sup>

There are a many examples of so-called "forced-together federalism" that collapsed in the last two decades, some of which include: ex-USSR, ex-Yugoslavia, ex-Czechoslovakia etc. Even the experience of Russia and other former Soviet Union states in the last decade, has generated numerous doubts that federalization can prevent political and ethnic conflicts. There are absolutely no guarantees against the evolution of the officially recognized separatist regime into a secessionist one in the framework of a federal state, and against discrimination toward other ethnic groups<sup>69</sup>. Within the context of the Caucasian autonomy has been a source of conflict and not a solution. Federalization can lead to the legalization of the separatist regime and its leaders, rather than to the eradication of the causes of conflict. Notwithstanding, in the opinion of the well-known authority in the federalization problems, professor Alfred Stepan believes that "every single longstanding democracy in a multilingual and multinational polity is a federal state", and countries with high levels of ethnic and linguistic diversity, such as Moldova, will never become stable democracies "without workable federal systems".<sup>70</sup>



Federalization opponent Iuri Rosca with the late Professor Marion Doss of the WRNI

The Federalization Plan, coupled with the new initiative of President Voronin, represents necessary (but not yet sufficient) conditions for settlement of Transnistrian crisis. It becomes evident that these

<sup>65</sup> *INTERLIC*, January 20, 2003; *Commersant PLUS*, October, 2002

<sup>66</sup> Transcript of the press conference, *The USA Embassy in Moldova*, August 1, 2002

<sup>67</sup> Nancy Bermeo. The Import of Institutions, in the *Journal of Democracy*, February 13, 2002, pp 96-110.

<sup>68</sup> Federative Republic of Moldova, LOGOS-PRESS, No 28, August 9, 2002

<sup>69</sup> In our case - toward the Moldovan population, which represent the majority on both sides of the Nistru River, and which experienced such treatment during Soviet period in the Russification of education and public governance.

<sup>70</sup> Alfred Stepan, "Federalism and Democracy: Beyond the U.S. Model", in the *Journal of Democracy*, October 1999, No 10, p. 19

documents are bringing it closer to a successful solution than is the situation in other hot spots of the former USSR. This conclusion is backed by a combination of favorable factors, including: leaders acceptance of the legitimate and separatist regimes (both of which include very strong inclinations towards authoritarian style of governing) proposed by the OSCE project, tolerance (and indifference of the populations on both sides of the Nistru River (according to the last recorded polls in - only 10 percent of Moldovan respondents view the Transnistrian settlement as an important national issue)<sup>71</sup>, and a lack of strong opposition in the Moldovan Parliament and Transnistrian "Supreme Soviet". Taras Kuzio, a Toronto university's professor, believes that conflict resolution might be facilitated by the similarities of Moldovan and Transnistrian Russian-speaking hommo-sovieticus elites with a strong pan-eastern Slavic and sovietophile orientation<sup>72</sup>.

Nevertheless it will not be easy to win acceptance of the OSCE proposal, which has already spurred on heated criticism and provoked instability in the political life of Moldova, thereby practically dividing the Moldovan society. George Soros, a well-known philanthropist and businessman who recently visited Moldova, has spoken out categorically against settling the Transnistrian conflict through federalization. In his opinion the effect of this document would be "Moldova's complete falling under the protectorate of Russia". Walter Schwimmer, Council of Europe's Secretary-General, during his last October visit to Moldova, referred to the Transnistrian settlement and suggested that negotiators stop clinging onto "federalization", so that they would not limit themselves to only one plan for solving the conflict, which "must be settled through a national consensus".<sup>73</sup>

In analyzing the role of external factors in Transnistria's conflict resolution, it is necessary to emphasize the Romanian factor - a missed opportunity for Moldova. Romania was and still is a strong supporter of Moldova's integration to Europe and of an equitable solution of the Transnistria crisis in the framework of the Republic of Moldova's sovereign and independent state. Meanwhile, in the last two years, after the communist party gained majority in Moldova, relations between the two countries revealed "unnecessary elements of tension", as Romanian President Ion Iliescu mentioned.<sup>74</sup> Romania, which recently was accepted to NATO, backed Moldova in various International organizations and contributed to its admission to the Stability Pact of South East Europe, was accused by Chisinau authorities for "the interference into internal affairs" for "supporting" the communist party opposition and the Tiraspol separatist regime, and for becoming "the first trade partner of Transnistria". These were harsh accusations, with significant facts often dismissed by the Romanian government, but the tensions between the two-neighboring states remained the major obstacle for Moldova's European integration and conflict settlement. In February 2000, in a conversation with the author of this Report, Zbigniew Brzezinsky, former National Security Adviser of President J.Carter stressed that Romania can play the role of a locomotive for Moldova's integration into the EU. This could facilitate the solution for the Transnistrian crisis if Moldova does "not miss the train of such integration".

<sup>71</sup> See Dmitri Chubashenko "The Transnistrian Settlement: Much Ado About Nothing" in *Moldova Azi*. December (, 2002

<sup>72</sup> Taras Kuzio "History, Memory and Nation Building in the Post-Soviet Colonial Space" in *Nationalities Papers*, Vol.30, No2, 2002

<sup>73</sup> *Moldavskie vedomosti*, No 66, October 16, 2002

<sup>74</sup> INTERLIC, Chisinau, June 28, 2002

## 6. Conflict Resolution: Domestic political factors

In order to analyze the internal factors related to Transnistria's conflict resolution, it is necessary to emphasize at least three major evolutions that are connected to the proposed Federalization Plan:

- 1) The new presidential initiative (February 9, 2003) based on the "Kiev document" that stipulates the drafting of a new Constitution of the Republic of Moldova in cooperation with Transnistria representatives, endeavors to eliminate the constitutional obstacles of the re-integration process;
- 2) The changes in the configuration of the political spectrum of Moldova, coagulation of the two unions - center-leftist and rightist - based in the decisions by the eight parties from each side. The most important criteria of this division is the attitude toward Federalization;
- 3) The reaction of the Transnistrian separatist leaders and civil society, including opposition parties, to the Federalization proposal, particularly after the announcement of joint US and European Union sanctions against the Transnistrian leadership.

The new Draft-Agreement on the "final settlement" of the conflict and on the federal organization of the Republic of Moldova with Transnistria as a "subject of the future federation" envisions:

- Establishing a two-level system of State organs, legislation, fiscal and budgetary system, with the distinctive de-limitations of competences between the central authorities and that of the Transnistrian region;
- Setting up the mechanisms of direct application of central normative acts;
- Adoption of a single citizenship, a single monetary system, a single customs space and a single defense space within the borders of the entire State;
- Providing Transnistria the right to determine its own policy with respect to the usage of languages with the extension of the status of Moldovan language as the State language and Russian as an official language throughout the entire territory of Transnistria;
- Establishing the right of Transnistria to self-determination in case of a change in the international legal status of the State.

The text of the new Fundamental Law will be elaborated by a joint Moldovan-Transnistrian Commission, with the participation of representatives of mediator states, the OSCE, the Venice Commission and international experts. The new Constitution will be proposed in a national referendum (until February 1<sup>st</sup>, 2004) and the new elections at all levels must be summoned until February 25<sup>th</sup>, 2005.<sup>75</sup> According to Ambassador William Hill "this is quite realistic objective - difficult to achieve, but realizable".<sup>76</sup> In the context of the recently announced (February 27, 2003) joint US and European Union sanctions against Transnistrian leadership (in the form of travel restriction), the new Moldovan initiative has a strong impact on the entire process of negotiations, thus resulting into a new wave of political confrontation in Moldova and deeper polarization of Moldovan society. From this perspective, it is important to reassess the internal political situation, to have a clear picture of the arguments supporting ideas of pro- and contra federalization. It is obvious that this problem - Federalization - has become a stumbling-stone for Moldovan society and its political parties. Further

<sup>75</sup> Embassy of the Republic of Moldova, Moldovan News Bulletin, Special Edition, February 27, 2003

<sup>76</sup> Moldova Azi, February 28, 2003

more, debates on possible solutions can reach the astonishing levels of confrontation during the period of independence.

Pro-Federalization forces that support this new initiative were reunited recently in the coalition of the eight center-leftist parties which included the Communist Party <sup>77</sup>(CP), the Democratic Party <sup>78</sup>(DP), the Agrarian Democratic Party <sup>79</sup>(ADP) and five other small leftist parties. In spite of their ideological differences, the alliance is strongly committed to endorse President Voronin's efforts to "ensure political stability", to "adopt a new Constitution" and to "build a new modern state". Some of the experts consider this movement as strategic with the long-lasting goal that it might lead to the transformation of the communist party into some kind of social democratic organization that would have a good chance to win the next parliamentary elections for the new Federal State authority (February 2005). For President Voronin it is important to maintain the unity and leading role of its communist government party, but with another name, more refined image and in coalition (at least formal) with other representatives of the "healthy forces of the society". This is a reasonable argument, taking into account that hard line approaches of the communist party, deriving from the old dogmas and stereotypes, led Moldovan democracy into a deep political crisis and represent a real threat for democratic institutions, thus becoming the subject of attention in the Council of Europe and other well respected international organizations.

Anti-Federalization forces were consolidated in the coalition of other eight right wing parties, led by the nationalist Popular Democratic and Christian Party (PPCD). Its leader, Iurie Rosca has recently visited the United States and harshly criticized the Federalization initiative of the Moldovan President as representing "a Russian diplomacy replica to the NATO and EU extension" and an "invasion to the constitutional order of the Republic of Moldova". In the PPCD vision, the peaceful and equitable settlement of the conflict should be based on: i) the Declaration of Independence and constitutional provisions on the "independent and sovereign, indivisible and unitary Moldovan state"; ii) the "unconditional, complete and ordered withdrawal of Russian troops and armaments"; iii) the "disarmament and dissolution of the unlawful military forces of the [Transnistrian] regime"; iv) the impossibility of Russia as "aggressor-state" to be further involved as a mediator and a guarantor in the conflict created by Russia itself". The PPCD and its coalition parties pledge for: v) the "direct involvement of the USA and the EU in the negotiation process", thus compensating "lack of the OSCE efficiency"; vii) "immediate and unconditional released of political detainees A.Lescu, T. Petrov-Popa and A.Ivantoc"; viii) "returning to their homes of all internally displaced persons"; ix) "initiation of the international lawsuit against Tiraspol terrorist regime" and x) not acceptance of any "eventual referendum on the occupied [by the Russian Federation] territories" and of any "superficial, slapdash and inequitable approach to the Moldovan-Russian dispute in Transnistria" that might "generate new

<sup>77</sup> Its rating, according to the Moldovan political analyst I.Botan, is 10 times higher than that of all other left parties in this coalition, and, due to a strong discipline and consensus communists maintained their faction leadership in the current Parliament - 71 from 101 seats, which permits them to pass any legislative acts, including those necessary to change the Constitution. Igor Botan. The New Political blocks. Moldova Azi. Political comments, February 28, 2003

<sup>78</sup> The leader of the DP, Dumitru Diacov, former Speaker of the Parliament, and former leader of the pro ex-President Lucinschi movement "For Prosperous and Democratic Moldova", which brought him to Presidency in 1996, is the coordinator of this new alliance, and has pretty good connections with the European social democratic organizations.

<sup>79</sup> This party used to be a majoritarian parliamentary faction in the middle of the 1990s, but collapsed into different groups because of strong internal contradictions. The ADP failed to overcome established thresholds for the legislature in the last two elections, - in 1998 and 2001.

instability and serious risks for the Peace in the region"<sup>80</sup>. The PPCD has announced its intention to appeal to Constitutional Court against President V.Voronin's plan to write a new fundamental law.

According to the last poll conducted in December 2002, the support of the electorate for the PPCD remains almost the same - at 6 percent while for the Liberal Party,<sup>81</sup> it is at 3.5 percent and for other parties of this block it is around 1 percent. In spite of the fact that their electorate represents only about 10 percent of the electorate (for purposes of comparison, the communist party would gain 66.5 percent of the vote according to the same source), in the issue related to the Federalization more than three fourths of Moldovans (76 percent) do not support this idea but want Moldova to remain a unitary state.<sup>82</sup>

The Social-Democratic Alliance of the former Prime-Minister Dumitru Braghis<sup>83</sup> and the Alliance of Independents<sup>84</sup> that are negotiating their ideas of central-right political principles and are in opposition to the ruling party, are still undecided on the proposed Federalization initiative. It is interesting to



Main road into Gagauzia

mention that D.Braghis used to be one of the first promoteurs of the idea of Federalization in Moldova as the solution for Transnistria's crisis, and had been strongly criticized then, before the last (2001) elections, by the communist party. Later on "surprisingly" this party evolved into a "fidel" adept of this concept. Oazu Nantoi, the leader of the Social Democratic Party of Moldova (SDPM) and a prominent Moldovan political analyst has become one a prominent hard-liner critic of the Federalization. He considers Federalization as a project that "is undeserving of Independence" and asserts that the U.S. Administration "makes a mistake by regarding the Communists as sincere partners deserving trust".<sup>85</sup>

The reactions of Transnistria's leadership to the OSCE Federalization proposal and the new initiatives of the Moldovan president were both controversial and paradoxical. In their official statements (published on the website of the Transnistrian foreign department), Tiraspol leaders "welcomed" the federalization plan and President Voronin's initiatives as "approaching of the term of a definite

<sup>80</sup> The detailed vision of the PPCD and headed by this party rightist forces coalition on this issue was exposed in the "Proclamation on the problem of the Moldovan-Russian Transnistrian dispute", adopted by the anti-communist meeting on February 19, 2003.

<sup>81</sup> Its founder and formal leader is the first President of Moldova Mircea Snegur. After the last year "unification" of the 7 small political formations, the chairman of the new right wing Liberal Party was elected Veaceslav Untila, former vice-minister of Internal Affairs.

<sup>82</sup> BASA-Press, Chisinau, 12.12.2002; Timpul, 12.24.2002

<sup>83</sup> Close to the visions of the second President of Moldova Petru Lucinschi this amorphous political formation represents the main opposition parliamentary faction with 13 MP.

<sup>84</sup> Headed by the current mayor of Chisinau, Serafim Urecheanu, Alliance of Independents, although it has no clear program and strategy, is considered to be "a last bastion" of democrats on its way to establishing of the total communist party control in Moldova-all of which might occur after the scheduled May 2003 local elections.

<sup>85</sup> O.Nantoi, "Undeserved Independence", Institute for Public Policy, February 17, 2003; "SDPM warning against Communists' duplicity", Moldova Azi, December 25, 2003. In one of his last year analysis "The East zone conflict in the Republic of Moldova - a new approach" (June 28, 2002) O.Nantoi admitted the Federalization as an option: "Federation - why not? What could be called a "conflict settlement".

normalization of relations between the sides". The "Supreme Soviet" recently adopted a resolution according to which the administration will not hamper the withdrawal of Russian armaments from the region in order "to offer to Russia the possibility to respect its OSCE engagements". Transnistrian leader Smirnov even asked the OSCE to inspect all of Transnistria's industries and the sector bordering the Ukraine in order to counteract "Chisinau's speculation with groundless impressions" of "smuggling of weapons, drugs and persons". In this respect, they expressed their disappointment with the European Union and the United States decision (sanctions) that according to them "is in direct contradiction with the realities" and "based on false information"<sup>86</sup>.

In fact these statements represent a smoke screen designed to cover real intentions and demands of the Transnistrian leadership. I.Galinsky, the director of the Tiraspol NGO - "independent" center for social and political investigations "Perspectiva", explicitly expressed these interests, calling Chisinau's project a "lopsided federalism" and a "new trap for Transnistria by trying to pack the unitary state into federal terms". As a precondition for Tiraspol's acceptance of the federalization plan this statement lists the following: i) immediate lifting of the economic blockade against Transnistria; ii) recognition by Chisinau that the entire land, natural resources, enterprises and realties are property of Transnistria; iii) approval of all transactions that Tiraspol has made so far; iv) providing international guarantees "at the highest level" and v) apologies to the Transnistrian people for the crimes committed by Voronin's predecessors<sup>87</sup>. The colleagues of the Moldovan ruling party- Transnistrian communists criticized the OSCE proposal and the Moldovan President's initiatives, calling them "provocation" and "federation on the district level"<sup>88</sup>. Even opposition to Smirnov's regime parties ("Partia narodovlastia", "Vlasti narodu! Za sotsialinuiu spravedlivosti", "Leninskii kommunisteskii soiuz molodeji »), recognizing that Smirnov can accept only a «confederation of the two independent states - Republic of Moldova and Transnistria» on the base of the "Serbia and Montenegro" precedent, have expressed a lot of reserves for these plans, particularly - for withdrawal of the Russian troops from the region<sup>89</sup>.

Dr. Oazu Nantoi, analyzing the genesis and the essence of the Tiraspol regime in a series of articles remarked that the restoration of territorial integrity of the Republic of Moldova can be achieved only by implementing various compulsive measures applied consistently and firmly to the anti-constitutional regime, by the most active involvement of the international institutions and other states (the EU, USA), with the participation or at least a tacit acceptance by the Russian Federation<sup>90</sup>. The latest evolutions in Transnistria's conflict settlement, joint EU and USA sanctions followed by a more "flexible" reaction of the Tiraspol leadership, proved that this approach is effective.

The Moldovan Federalization project provoked not only theoretical debates among political analysts, but ignited emotions and caused troubles (in many cases – unnecessary) among major communities of national minorities in Moldova, particularly in the Gagauz – Yeri [land], compactly populated by Turkish Christian people (153,000). It should be noted that Moldova is the only country in Europe that created ethnic-territorial autonomy, by offering to this particular minority group (larger than either the Abkhaz people or the Karabakh Armenians) a Special Status within the unitary Moldovan state (1994). Although the tension in Gagauzia is much less significant than in Transnistria and the conflict

<sup>86</sup> *Moldova Azi*, February 3,14; March, 3, 2003

<sup>87</sup> *Olvia-Press*, Tiraspol, February 20, 2003, *Bassa-press*, Chisinau, February 26, 2003

<sup>88</sup> V.Gavrilenco, "Federatia na uroveni uezda", V.Razumov, "Federatsia ili provocatsia", *Kommersant-plus*, September, 2002

<sup>89</sup> "Pridnestrovskaia opozitsia predlagaet svoi proiect federatsii", *Logos-press*, No 31, August 30, 2002.

<sup>90</sup> O.Nantoi., "Cu privire la situatia in raioanele de est ale Republicii Moldova (1992-2000 » in « Aspecte ale conflictului Transnistrian », Chisinau, *Stiinta*, 2001, p.18

is primarily political in character, largely stemming from failure to implement this Special Status Agreement, leadership of this region as well as its opposition<sup>91</sup>, openly pledge for offering to the region the same status of the subject of the future federation like it is envisaged for Transnistria.

In spite of the persisting divergences between the two regions, mostly on the level of ambitions of political leaders, relations between Gagauzia and Transnistria are determined by some common interests: i) loyalty towards Russia and Ukraine; ii) an official declaration to join the Russia-Belarus Union; iii) the only officially circulated language – Russian; iv) non-acceptance of the unionist (pro-Romania) forces, represented primarily by PPCD; v) suspiciousness on the policy of Moldova's central authorities regardless of their political orientation. According to A.Safonov, a well-known Transnistrian analyst, "one can say that from 1990 to 2002, Gagauzia became a range where Chisinau and Tiraspol polished different technologies of mutual struggle"<sup>92</sup>. These two regions will remain allies in the negotiations with their Moldovan counterparts united by the principles and methods of building the future federative common state<sup>93</sup>.

## In Lieu of a Conclusion

The most important issue facing Moldova today is the proposed federalization plan elaborated under the umbrella of the OSCE for purposes of conflict resolution as well as reunification of the country through reintegration of the separatist region of Transnistria. According to Moldovan President Voronin, the plan is the most realistic option for resolving this conflict as it relies on principles of European integration. The draft and the new initiatives of the Moldovan President represent the most detailed proposal ever offered for settling the decade-old Transnistrian conflict. If the Moldovan government and separatist leaders accept the proposal, it might lead to the solution of the dispute, thereby creating a precedent for other conflicts in the ex-Soviet space. But it could also have serious repercussions for the future of democracy in Moldova and other states following the precedent.

The federalization plan is not a new idea for the ex-Soviet republics. It was suggested among other major principles of conflict settlement, particularly by the 1996 Lisbon OSCE summit, and was accepted by some leaders (President Shevardnadze, for example), but it never brought the desired result. In examining its application to Moldova and other states dealing with the problem of separatism, one must ask the following questions: What are the potential risks and benefits of federalism? How does

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<sup>91</sup> The "bashkan" [governor] G.Tabuncschi was re-established in the governor's position last year after aggressive intervention of communist party of Moldova into competences of local authorities. These activities, consequently promoted by the Moldovan government, conducted the removal of the former pro-western oriented and democratically elected "bashkan", D.Kroitor and anticipated elections in October 2002 with the only candidate-- G.Tabuncschi-- strongly backed by the ruling communist party. Ninety percent of this region electorate supported communists in the 1998 and 2001 parliamentary elections. See V.Socor, "Unnecessary trouble in Moldova's Gagauz Autonomy" in the Jamestown Monitor, March 14, 2002

<sup>92</sup> A.Safonov. Transdnistria: the situation, disposition of the forces and prospects, WRNI Report, 2002, pp. 12-13.

<sup>93</sup> They may be joined in this "struggle" by representatives of other national minorities, first of all Bulgarian, compactly located in the Taraclia district (south eastern part of Moldova).

federalization affect the democratic development? What are the advantages and limits of the U.S and other Western models? In answering these questions, one must take into account that the most of post-communist Europe's ethnocracies and ethnic bloodshed have occurred within post-federal states, such as the Soviet Union and Yugoslavia.

The major goal of this report was to reflect the current situation, to analyze the premises and eventual consequences, the "cost" of federalization for the future of the newly emerging state - Federal Republic of Moldova. Nevertheless, there are many important issues that lie beyond the framework of this analysis such as: what is the legal foundation of the federalization project and of the new President of Moldova's initiative to write a new constitution? How many subjects of the federation would there be and what kind of federation should Moldova become - symmetric or asymmetric? What are the competences of the future subjects of the federation and what are political and juridical mechanisms of mediation and guarantees? Who are the guarantors?

However, it is obvious that the viability of Federalization plan as a contribution to the search for just, democratic and permanent practical solution to the settlement of Transnistrian conflict and, eventually for other conflicts in the disputed regions of the former USSR, such as Abkhazia and Nagorno-Karabakh, depends almost entirely on the assistance of the U.S. and the international community in management of the crisis situations and post-conflict reconciliation.

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