KEY ASPECTS OF MOLDO - ROMANIAN RELATIONS

Cristina PAUNESCU, PhD student, State University of Moldova,
master, Academy of Public Administration,

Svetlana CEBOTARI, Doctor Habilitat of Political Sciences, Associate Professor,
State University of Moldova, Academy of Public Administration

Summary

At an interval of approximately three decades from the establishment of diplomatic relations between Romania and the Republic of Moldova, the subject of Moldovan-Romanian relations remains a topical one both in the discourse of politicians and in the research of representatives of the academic community. Romania was the first state to recognize the independent Republic of Moldova.

In the context of the analysis of the Moldovan-Romanian relations, this article is focused on the research of the specifics of the collaboration of the Republic of Moldova with Romania on the economic dimension. Therefore, are highlighted the main aspects of the Moldovan-Romanian political, commercial-economic and social relations from 2009-2021.

Keywords: *diplomatic relations, trade and economic relations, Romania, Republic of Moldova, collaboration, foreign policy etc.*

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Introduction. The relations between the Republic of Moldova and Romania, two sovereign and independent states, have a privileged, special character, deriving from the community of nation, culture, language and national history. „Romania pragmatically approaches the relationship with the Republic of Moldova, starting from the legitimate interest of seeing the Republic of Moldova registered in the European Community, able to ensure a zone of stability and security at the eastern border of Romania, which is also the border of EU and NATO" [1]. The basis of this relationship is established by drawing common points deriving from the Declaration on the establishment of a strategic partnership between Romania and the Republic of Moldova for the European integration of the Republic of Moldova (signed in Bucharest, on April 27, 2010) [2]. Thus, Romania is the ally of the Republic of Moldova in achieving the European course. Although there were some topics that caused identity-linguistic and historical tensions, Moldovan-Romanian relations focused on a prodigious collaboration in several fields.

An important step that strengthened the Moldovan-Romanian bilateral relations was the establishment of the Strategic Partnership in 2010. The main objective of the Moldovan-Romanian Partnership is to strengthen relations between the two states in order to accelerate the process of European integration of the Republic of Moldova. The new dynamics of Moldovan-Romanian relations - focused on the political, economic and cultural dimension - found its expression in the numerous visits at the highest level, the signing of several bilateral agreements and the permanent support provided by Romania to the Republic of Moldova [3].

Moldovan-Romanian relations in the period 2009-2021. Therefore, analyzing the Moldovan-Romanian relations, it is worth mentioning that the main directions of cooperation are set out in the two basic documents: The Concept of Foreign Policy of the Republic of Moldova in 1995 and the Program „Foreign Policy and Promoting the Real Image of Romania". If we examine the first document, we find that one of the main directions of the concept of foreign policy of the Republic of Moldova is multilateral cooperation with Romania [4]. Analyzing the second document, namely: The Program „Foreign Policy and the Promotion of the Real Image of Romania", we can say that Chapter 11.2.4 „Intensification of bilateral relations" stipulates that the Romanian Government will give priority to the development of dynamism and pragmatism of Romania's special and privileged relations with the Republic of Moldova, based on the identity of language, culture and history, by developing areas of economic complementarity, supporting investment flows in the Republic of Moldova, continuing direct economic support, assistance for diversification of energy resources available to Moldova to increase the country's degree of energy independence, to support the Republic of Moldova's admission to the Stability Pact in South-Eastern Europe, to support European regional and subregional cooperation projects in which the Republic of Moldova will be able to participate [5].

Making a comparison of these two documents, we can say that the Romanian Program, unlike the „Concept" of the Republic of Moldova, in terms of Moldovan-Romanian relations seems to be broader, the relations between the two states being more developed, indicating the main directions of collaboration. Given that the border of the largest military alliance known to mankind - NATO, which has geostrategic interests in the Ponto-Baltic Isthmus and the Caucasus, reached the borders of Moldova, with Romania's accession to it and in the conditions when the borders of the European Union extended to the Prut, we can observe an increase of Romania's importance and its position in the future regional security architecture. Therefore, we consider that the Concept, both in general and in particular, is outdated and it is necessary to re-examine the priorities of Moldova's foreign policy in relation to Romania [6].

If we were to characterize the political relations between Romania and the Republic of Moldova, over time, from 1991 to the present, they can be characterized as ambiguous [7]. Although, both behind the scenes and in the media in both states, there is talk about Romania's support for the Republic of Moldova in the process of integration into the European Union, including a possible union of Romania with Moldova, neither of the two objectives it has a well-defined ending at the moment.

Regarding the Moldovan-Romanian relations, it is worth mentioning that, lately, there are clearer and more encouraging developments in the direction of Romania's approach to the Republic of Moldova, these being registered in the field of investments and Romania's presence in the Moldovan economy. Thus, in the context of the analysis of trade and economic relations between the Republic of Moldova and Romania, it should be mentioned that they are based on a well-defined legal framework that creates premises for the development and diversification of bilateral relations. Thus, the main agreements signed are [8]:

- Agreement between the Government of Romania and the Government of the Republic of Moldova on economic, industrial and technical-scientific cooperation;
- Agreement between the Government of Romania and the Government of the Republic of Moldova on the establishment of the Joint Intergovernmental Commission for Economic Cooperation and European Integration;

- Agreement between the Government of Romania and the Government of the Republic of Moldova on the avoidance of double taxation;

- Agreement between the Government of Romania and the Government of the Republic of Moldova on the mutual promotion and protection of investments.

Romania is the first commercial partner of the Republic of Moldova, ahead of Russia and Ukraine. According to the data of the National Bureau of Statistics in 2020, the main countries of destination of exports of goods were: Romania (28.4% of total exports), Germany (9.1%), Russian Federation (8.7%), Italy (8.6%), Turkey (6.9%), Poland (4.4%), Czech Republic (3.2%), Ukraine (2.8%), Belarus (2.7%), Switzerland (2,5%), Bulgaria (2.3%), Netherlands (2.2%), United Kingdom of Great Britain and Northern Ireland (1.7%), Spain (1.4%), France (1.2%) %), Hungary (1.1%) [9].

In the context of the analysis of the Moldovan-Romanian economic relations, it is worth mentioning that Romania, from the point of view of the number of companies in which it invested (1690) is placed on the first place in the top of economic partners investing in the Republic of Moldova and 5th in the top countries that have invested in the share capital of companies from the east of the Prut. Thus, according to the data provided by the Romanian Embassy in Chisinau, the capital invested by Romania in the Republic of Moldova amounts to 42 million USD (May 2018). Currently, Romania is considered to be the first commercial partner of the Republic of Moldova, having a significant presence in key sectors of the state economy [10].

Studying the specifics of the Moldovan-Romanian relations during the years 2009-2021, it is worth mentioning that the relations between the Republic of Moldova and Romania focused on two major aspects [11]:

- the European dimension of bilateral cooperation, based on the strategic objective of Moldova's integration into the EU;

- highlighting the special character of the Moldovan-Romanian relations, based on the common linguistic identity, history and culture.

Paying attention to the specifics of the Moldovan-Romanian relations from 2009-2021, it is worth mentioning that in the relations between the two states the pragmatic side predominated, determined by the strategic objective of the Republic of Moldova to integrate into the EU. Romania's assistance to the Republic of Moldova has contributed to the creation of an irreversible path in the country's foreign policy, the one oriented towards European integration, as well as the creation of a zone of stability and security at its eastern border. In this context, Romania has met various requests from the Republic of Moldova, offering concrete assistance, in the form of economic aid, both non-reimbursable and in the form of loans on particularly advantageous terms (long-term, interest-free, with a period of warranty).

Romania also provides support to the Republic of Moldova through both reimbursable and non-reimbursable financial support. The non-reimbursable financing agreement worth 100 million Euros was signed on April 27, 2010, in Iasi. For a decade, Romania has financially supported several projects aimed at modernizing 1,000 schools, as well as the construction of the Iasi-Chisinau gas pipeline. It should be noted that as of March 28, 2021, the agreement between the Government of Romania and the Government of the Republic of Moldova on non-reimbursable financial aid amounting to 100 million euros ceases to be valid. So far, about 40 million of the money granted by Romania to the Republic of Moldova have been used, of which 60 million have remained unspent. At the same time, the Bucharest authorities express their readiness to conclude a new partnership [12].

Investments, commercial relations, the increasingly visible presence in the financing of social projects, reimbursable and non-reimbursable financial assistance - all these represent concrete and visible ways of Romania's beneficial involvement in the Republic of Moldova. This fact also indicates the signing for a period of five years in Chisinau, on October 7, 2015 of the Agreement on reimbursable financial assistance between the Republic of Moldova and Romania in the amount of EUR 150 million [13]. Investments in the economy and project financing present for Moldova a direct support provided by Romania - job creation, improving the quality of life of the population, as well as signing commercial contracts for Moldovan companies.

Romania's support has as a priority the interests of the citizens of the Republic of Moldova and the realization of strategic bilateral projects, being closely linked to the continuation of the essential reforms for the democratic development of the Republic of Moldova and the advancement of its European path. Thus, in accordance with the Joint Declaration of April 2010, in order to implement the relevant economic policies, the two states agreed to develop the legal framework for bilateral economic relations. For the institutional consolidation of the economic cooperation between Moldova and Romania, the states agreed on the extension of the activity of the joint intergovernmental commissions, through which the economic projects and programs between the two states were coordinated. The Joint Commission for Economic Cooperation is the institutionalized mechanism for bilateral cooperation at the economic level, coordinated by the economy ministers of the two states.

Moldova and Romania have agreed to act in order to interconnect infrastructures and integrate them into the transport and telecommunications networks in the European space, taking into account the commitments to the European Union. In the future, the Parties have established the implementation of the following bilateral projects [14]:

- realization of the electric power interconnection project by launching the Isaccea-Vulcănești and Suceava-Bălți power lines:
- construction of the 1435 MM European gauge railway line from Ungheni station to Chisinau station;
- construction of road bridges over the Prut River near the localities of Iași-Ungheni and Bumbăta-Leova;
- implementation of international roaming at national tariffs between the Republic of Moldova and Romania.

Among these projects, the topic of roaming was discussed extensively, which has not been done yet due to high costs (in the Republic of Moldova they are about 20 times higher than in Romania). The realization of the electric power interconnection of the Republic of Moldova in Romania is only at the design phase of the Isaccea-Vulcănești power line. On the rest of the strategic projects of the Moldovan-Romanian relations, against the background of some optimistic promises, the authorities of this two states did not undertake concrete actions.

In the context of the Moldovan-Romanian cooperation in the energy sector, we can see that the Transgaz Company, owned by the Romanian state, through its subsidiary in the Republic of Moldova, „EuroTransgaz", on March 28, 2018 signed the privatization contract of the company „Vestmoldtransgaz" (privatized by the Government To the Republic of Moldova, at a price of 180 million Moldovan lei, about 8.8 million Euros, a condition being the investment of 93 million euros in the next two years).

Another important moment regarding the Moldovan-Romanian relations on the energy

dimension is the construction of the Ungheni-Chisinau pipeline on the territory of Moldova. The project aims to increase the level of interconnection between the two countries in terms of natural gas transmission infrastructure and of course to reduce Moldova's dependence on Russian gas. In July 2020, the construction of the Ungheni-Chisinau gas pipeline was completed, which has the capacity to cover most of the natural gas consumption in Moldova and Transnistria and is thus an alternative to gas imported from Russia. However, the gas pipeline was not used in the winter season 2020-2021 because Moldova concluded a contract for this period with „Gazprom" from the Russian Federation [18]. At present, Moldova is almost 100% dependent on energy imports, with its own production capacity being reduced. Part of the necessary energy is produced by the Cuciurgan plant, but located in Transnistria and operated by Russia's Inter Rao, the rest is imports from Ukraine. In December 2017, the Republic of Moldova signed a cooperation agreement with Romania on the energy dimension, which, once completed, will significantly reduce the degree of energy dependence on the East and will practically unite the Republic of Molodva with Romania and the European Union [19].

In order to reduce Moldova's energy dependence on the Russian Federation, the European Bank for Reconstruction and Development (EBRD), the European Union (EU), the European Investment Bank (EIB) and the World Bank have signed an agreement on a financing package in amount of 270 million euros, in order to ensure the permanent interconnection between the electricity networks in Moldova and Romania. „Moldelectrica" is to build by 2022 a new 400 kV high voltage power line between Vulcanesti (southern Moldova, near the border with Romania) and the capital Chisinau. The project involves the construction of a back-to-back power station with a capacity of 600 MW in Vulcanesti - necessary to standardize the voltage differences between the Romanian and Moldovan systems, as well as the modernization of the transformer station in Chisinau. Basically, after the project is completed, part of Moldova's high voltage network will operate at a capacity of 400 kV, similar to that of Romania and Central and Western Europe, Moldova having the possibility of electricity supply from the Romanian network [20].

Following the „Transgaz" model, „Transelectrica" could become the majority shareholder of „Moldelectrica". However, the future of such transactions may be affected by the policy of the Romanian state; the „confiscation" by the state of 90% of the profits obtained by public sector companies in the form of dividends jeopardizes the source of financing for potential investment projects. In the distribution of fuels on the territory of the Republic of Moldova, the priority is held by two Romanian gas station networks: „Rompetrol" with 93 stations, respectively „OMV Petrom" - with 80 stations, out of a total of 650 gas stations (of which 500 network gas stations network, rest being independent distributors) [21].

However, this market is practically controlled by Romanian companies; „Rompetrol" is the first fuel supplier in the Republic of Moldova (retail + wholesale), selling fuels to other distributors, „Petrom" supplies its own gas stations, and „Lukoil" stations are supplied by the „Petrotel" refinery in Romania. There is no refinery in the Republic of Moldova.

If we review the banking sector, we notice that the Romanian presence on the banking market of the Republic of Moldova has increased significantly. According to the data, the banks controlled by Romanian entities held together about a third of the total banking assets in the Republic of Moldova: „Victoriabank" (BT + EBRD) - 18.3%; „Mobiasbanca" (BRD-Groupe Societe Generale) - 12.7%; Romanian Commercial Bank Chisinau (BCR - Erste Group) - 1.7%"[22].

In the Republic of Moldova, Romanian investments were also made in the food industry, IT and online trade (market with great potential in the Republic of Moldova, but threatened by the emigration of human resources), consulting services, retail, DIY, PVC carpentry and others. Also, Romania financed in the Republic of Moldova repair works of some social-cultural institutions, kindergartens, acquisition of school minibuses, the activity of the SMURD emergency service and others.

The cooperation in the cultural-educational field is a very important for these two states, Romania providing a great assistance to the Republic of Moldova in this field. The Joint Declaration of 2010 provides for the extension of Moldovan-Romanian relations in the field of culture, science and education based on European standards. The basis of cooperation with the Republic of Moldova is the Agreement on cooperation in the fields of science, education and culture between the Government of Romania and the Government of the Republic of Moldova, signed in Chisinau on May 19, 1992, in force since December 27, 1993 [23].

Romania annually allocates scholarships to the Republic of Moldova in pre-university, university and post-university education. The details regarding the schooling methodology and the submission of the files are published annually on the website of the Romanian Ministry of Education and Research.

In 2010, the Romanian Cultural Institute opened a branch in Chisinau - the Romanian Cultural Institute „Mihai Eminescu".

The cooperation protocol between the Romanian Ministry of Culture and National Identity and the Ministry of Education, Culture and Research of the Republic of Moldova, signed during the joint Government meeting of November 22, 2018, strengthens the bilateral legal framework in the field.

The relations in the field of culture between the two states experienced an institutional development after 2009. At the informational level, many of the Romanian projects and programs realized by Romania in the Republic of Moldova were not related in the public space at their true value. In the Joint Declaration from the April 2010, the media sector was to be expanded into cooperation between the two states [24].

The Moldovan-Romanian political dialogue is an efficient one at the level of governments, based on economic pragmatism, the ideological and political divergences passing on a secondary level.

Conclusions. Carrying out the analysis of the Moldovan-Romanian relations, it is worth mentioning that they develop on all dimensions: political, commercial-economic, and, socio-cultural. Thus, trade and economic cooperation gradually became a fundamental one for the Moldovan-Romanian bilateral relations, changing the emphasis of the institutional dialogue between the two states. Romania has become the number one trading partner of the Republic of Moldova. The cultural-historical component of the Moldovan-Romanian relations continues to play an important role, determining a special character through the numerous programs and projects.

At present, it is important for the parties to show symmetry in actions and solidarity in maintaining regional and international security. It is necessary to strengthen the development of trade, economic and cultural cooperation, exploring new directions and opportunities for bilateral cooperation.

To ensure a prosperous future for citizens, it is necessary to use the European experience of the neighboring state, Romania, by unifying efforts and implementing promising new

joint projects in the field of developing economic potential, transport strategies, infrastructure and communications. This will improve the economic development of states, increase their exports to international markets, including EU markets, facilitate their integration into European transport corridors, meet the needs of the business environment in high-quality transport services, and in the time will increase labor mobility, will revitalize industrial and business activity.

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E-mail: cristina.paunescu@mail.ru
svetlana.cebotari@mail.ru