

Crisis in Moldova

A republic, if you can steal it

A year after a \$1 billion theft, a country is tottering

Jan 30th 2016 | CHISINAU | From the print edition

IN 1918 the then three-month-old Moldovan republic gave up the struggle for survival and united with neighbouring Romania. It is a sign of how dire things are today, says Iulian Fota, a Romanian



EPA If I had a hammer

analyst, that people are talking about doing so again. Ever since 2014, when the embezzlement of about \$1 billion from three banks forced a taxpayer bail-out that has crippled the economy, the country has been lurching towards collapse. Opposition supporters are permanently encamped in front of the government building. Maia Sandu, a former education minister who is rushing to build a new party, says the situation could lead to violence. No one seems to disagree.

On January 20th Pavel Filip, a close associate of Vlad Plahotniuc, the most powerful of the businessman-politicians who dominate Moldova, was voted in as prime minister. His administration is the eighth since 2013. Mr Plahotniuc had wanted the job; the president rejected him, saying there were doubts about his integrity. Mr Plahotniuc's arch-rival in business and politics, meanwhile, was arrested in October after accusations that he had received \$260m in bribes. He denies wrongdoing.

As Mr Filip was voted in, protesters stormed into parliament, trying to block him from taking office. They failed. On January 24th tens of thousands demonstrated against the new government. Opposition leaders have demanded a new vote. Western leaders, however, fear that elections would be won by pro-Russian parties and return the country, which has an association agreement with the European Union, to the Russian sphere of influence.

Many Moldovans are incensed by reports in the Western press that the current struggle is one between pro-Russian and pro-European parties. For most protesters, the conflict has nothing to do with geopolitics. As Victoria Bucataru of the Foreign Policy Association of

Moldova puts it, they are fed up with elites fighting for power while they grow poorer.

Still, if a poll were held today, the two parties generally seen as pro-Russian would together get the biggest share. The Socialists' election posters feature pictures of Russia's president, Vladimir Putin. Renato Usatii, the leader of the other opposition party, owns a business in Russia. But he says calling him pro-Russian is a slur. "I am pro-Moldovan," he insists, adding that if he led the country he would not rescind its agreement with the EU.

One source close to Mr Plahotniuc says he wants to retire from politics. Others say they have heard this before; they believe he wants to succeed the current president when his term expires in March.

Meanwhile Moldova is cut off from the external financing that it needs. Since the theft of the \$1 billion, diagnostic audits are supposed to have been done on the country's three largest remaining banks. Alex Kremer, the World Bank's representative in Moldova, says he is concerned about delays in the completion of the reports. If it turns out that yet more money has been stolen from the banks, the anger of Moldova's 3m exasperated citizens may at last boil over.

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