

## DRAFT

### **Moldova and Europe: a long way to go**

*Address by Marianne Mikko MEP to the CCBE conference*

*Chisinau, 21 October 2005*

Moldova is a European country, which is far away from the European Union membership. It has also been far from the EU-s collective mind.

Before May 2004, at least two countries separated Moldova from the European Union. The closest member state was Greece, almost 1000 kilometres away. Now the distance between Moldova and the EU has been halved. When Romania accedes to the European Union, a common border of several hundreds kilometres will emerge. Moldovan economic, migration and security issues will increasingly demand EU-s attention.

The Transnistrian issue is the most prominent single topic on most international conferences on Moldova. I know that as the head of the delegation of the European Parliament to Moldova I am expected to talk about this issue. Indeed I do have strong feelings about it and I have repeatedly voiced my opinion on Transnistria.

However, today I will not devote much time to discussing the Transnistrian problem. It is easily understood and in principle solvable by a few simple steps. There is no doubt that the EU will be increasingly involved in the settlement process. EU-s engagement gives us strong hope for the future.

Among EU institutions the European Parliament has been in the forefront in solving Transnistrian conflict. We repeatedly urged the Council of Ministers to take action and appoint EU special representative, whose job would be to support Moldova's EU integration efforts. These efforts include solving the Transnistrian situation.

After the EU Special Representative was appointed in March, we urged the Council to go further. We suggested a mission under the framework of ESDP to monitor the Transnistrian sector of the border between Moldova and Ukraine.

I am very glad that foreign ministers of the member states agreed to provide this substantial assistance to Moldova. Although the border mission will be organized by the European Commission as a civil project and will not be connected to the European Security and Defence Policy, its importance can not be underestimated.

When some 50 EU border guards and custom officers begin their deployment along 400 kilometres of Transnistria's border, they will be breaking new ground. Many will see it as an incursion into the Russian sphere of influence.

Let it be understood that the European Parliament is not initiating any anti-Russian policy. We treat Russia as any other country in the framework of international law.

Under international law, all countries should equally honour their commitments. Therefore, the European Parliament will continue to demand that Russia fulfil its commitment to the OSCE and withdraw its troops from Moldova. Many politicians

## DRAFT

and diplomats agree with me in calling the Transnistrian issue a litmus test for the foreign policies of Russia and Europe.

Having said that, I would like to proceed to an important message I want to convey here and today. Moldavians should not see their future as dependant from the solution of Transnistrian problem. International efforts to help Moldova's just cause will continue, but Moldova should not hold its breath. There are other pressing issues, which cannot wait until Transnistrian situation has been solved.

Moldova has achieved the dubious fame of a poorest country in Europe. The government of the country naturally wants to achieve greater prosperity and security for its citizens. Along with most Moldovans, the political elite regards closer integration with Europe as best means to this end.

EU will certainly help but it is not a *deus ex machina*, which will come and solve all Moldovan problems. Rather, the EU is a club, which poses high demands to its members and those wanting to become members. The future relations with the EU will first and foremost depend on Moldova's internal developments.

The most important area, where I would like to see strong development, is the economy. Economic development itself is to a great extent linked to the level of corruption, the legal system, the rule of law.

At the first glance Moldova's economic agenda seems to be doing just fine. Government focuses on closer ties with the EU and joining the WTO. Indeed, the above-mentioned Moldova's EU action plan provides a good opportunity for the convergence of economic legislation. Compatible legislation will open up economies to each other, reduce trade barriers, stimulate investment and growth.

Truly, Moldova's government has made an effort. The first half-year report on the implementation of the Action Plan attracted interest in Europe. It contains several promising developments, initiatives and undertakings, especially in the area of legislation. I am looking forward to seeing tangible results from these initiatives.

However, there are some initiatives of questionable value among the tried and tested measures. I would like to point out here that the national programme for the implementation of EU-Moldova action plan foresees the increase of import tariffs. The plan says in so many words that Moldova aims to "maximize the tariffs on the import of goods relevant for the Moldovan economic agents." This is protectionism, this is distortion of market competition. It will in medium and long term not do any good to Moldova.

At the same time, some necessary initiatives seem to be missing. I did not see a single word about tourism in the whole national programme for the implementation of the EU-Moldova action plan.

One may call it an accident. But is it really accidental? Chisinau is in the same boat with Moscow in hindering the easy access of EU visitors. Ukraine, Georgia and Balkan states have all, mostly unilaterally, abolished visa requirements for EU citizens. My own country, Estonia, abolished visa requirements unilaterally at the start of our reintegration effort. It did us only good. I do suggest that Moldova consider getting out of Moscow's boat.

## DRAFT

I have already seen some movement in the right direction. For the recent wine festival, Moldova granted free visas to the tourists. But this offer should have lasted a few weeks or months instead of a few days. I was given to understand that next year the Moldovan authorities intend to extend the duration of the free visa offer. But this might be too little, too late.

I understand that Moldovan citizens take a dim view of the end of the visa-freedom with Romania after Romania accedes to the EU. I am aware that people feel slighted and injured. But it is better to get over it and to get over it soon.

In my view, Moldovan economy can't wait for the end of the negotiations between the EU and Moldova on new visa requirements. With every day of continuing visa requirement for the EU citizens Moldova will lose income to Ukraine and Georgia. More importantly, it will lose image.

It is of utmost importance for Moldova to bolster its image. I know and you know that hundreds of thousands of best Moldovan workers have taken the European integration into their own hands. They have left their country to work illegally in the EU countries.

Their remittances support Moldovan purchasing power and help to finance state budget. This is, at the moment, necessary. But - illegal workers are already undermining the reputation of Moldovans in Europe. Moreover, emigration, be it legal or illegal, will seriously undermine country's demographic and economic potential in the long run.

Ladies and gentlemen,

I am very glad to speak here to this distinguished audience of lawyers; I am glad that you have gathered here in Chisinau.

The members of the European Parliament have recently become more focused on the development of the Moldovan legal system. Co-operation committee of the European Parliament and Moldovan parliament adopts a joint statement and recommendations every year. At this year's meeting, two weeks ago here in Chisinau, we added a separate section on the rule of law into the statement.

We agree that the convergence of Moldovan laws towards European law is of great importance.

We noted that the rule of law is an essential precondition for closer relations between the European Union and Moldova. We believe that strengthening the relevant principles and effectiveness of institutions guaranteeing the rule of law is of utmost importance. We also called for reinforcement of judicial capacity and further strengthening of the independence of judiciary.

I want to make my position crystal clear as far as Moldova's judiciary is concerned. I very much agree with those who claim that Moldova's court system is much more efficient and unbiased than in Russia or Caucasus. Yet, Moldova's legal system needs strengthening. Among the Council of Europe members, Moldova has been notorious for delays in complying with court judgements, second only to Ukraine.

## DRAFT

For example in last year European Court of Justice delivered seven judgements against Moldova in this regard. If we look to the absolute numbers of cases declared admissible to the European Court of Human Rights, then in 2004 Moldova came seventh among 45 member states of the Council of Europe. Turkey was first with 172 admissible cases out of total 830 and as far as Moldova was concerned 38 cases were declared admissible.

In general, there is cause for optimism. Council of Europe, in a report adopted by the Parliamentary Assembly earlier in October, notes Moldova's "significant progress on the path of democratic reforms". Yet there was a cautionary note: "series of commitments have not yet been met in a satisfactory manner." A lot of work still needs to be done.

In 2004 Georgia invited EU mission to support its judicial reforms. This rule of law mission headed by a French judge Sylvie Pants finished its job in July this year and is largely viewed as a big success. I sincerely recommend Moldovan authorities to invite a similar mission to their country.

Ladies and gentlemen,

you will undoubtedly agree that good laws are very important. But let's not forget one important truth. The best laws of the world will bring nothing if they are not properly understood and followed. Moldova can turn the whole *acquis communautaire* into the national law but this alone will not create jobs and prosperity.

What good is a law, if the population does not understand it and use it? When citizens are not aware of their rights under the law? When they are too intimidated to demand their rights?

Most of all, what good is the best law in the world, if the authorities discourage people from using it for their advantage? The Soviet Union, it has been said, had one of the most democratic constitutions on Earth. Yet the people lived in fear and rightlessness. Moldova must really shake itself free from the mentality of the old authoritarian system, which ceased to exist more than a decade ago.

Moldova must let the civil society grow, must not be afraid of making mistakes and corrections along the way. Citizens of old democracies do not look to one man or one party to tell them what to do. Free citizens make their own decisions, their own mistakes. And they learn from their actions. Better still, they learn from others via developed and skilled media.

At the present, Moldova cannot go wrong by granting journalists more freedom, by giving them more responsibility. Answering a recent question from some responsible Moldovan media people: you do not have to look for the best media managers and leaders. They will come themselves. You just have to let the ambitious journalists to do things their own way and eventually good managers, producers and leaders will emerge.

When you discover Moldovan media reporting very little on the President and other dignitaries and a lot on economy, jobs, enterprise, you know that the media has achieved adulthood. The success and failure of a country does not come down to the

## DRAFT

name of the President and whom he is meeting. It comes down to the citizens, their jobs, their needs.

In order to be welcomed in the European Union Moldova needs a thriving economy with substantial IT capacities. There need to be more and faster changes. Moldova has to ensure transparent and predictable business environment. It needs to pay attention to the independent reports of the NGO-s such as Transparency International.

I am asking same questions every time when I think of Moldova. What can Moldova do to achieve prosperity? Who and how will create the jobs in Moldova? How can Moldova attract back its people abroad? How can it attract foreign investment?

There is no shortage of answers to these questions. Draw from the Baltic or Nordic experience, look at Ireland, look at the Czechs. Listen to the suggestions of the IMF.

The IMF wants Moldova to do what is good for Moldova. Successful implementation of the *Moldova-EU Action Plan* and the *Economic Growth and Poverty Reduction Plan* will be a significant step ahead. Increased efficiency in public sector and equal treatment of all businesses will help the most promising businesses to grow and prosper.

The recommendations of business and economy specialists are well known. The structure of industry needs to move with the times. Predominantly agricultural economies need huge investments to achieve EU norms and to set up competitive marketing and distribution strategies. It will be hard to compete against Romania and Poland, not to mention Italy and France. It can be done, but an economy needs another leg to stand on.

Finland has created a high-tech industry from nothing, Nordic countries lead the world in terms of future technologies and their usage. This has been the result of well-judged state support and economic freedom, of attracting investment and interest from abroad. This is something Moldova could learn from.

Investors, after wanting to know whether a country is on good terms with the IMF, the World Bank and other leading financial institutions, will ask the most important question. What is your USP - your Unique Selling Point?

In other words, they will want a good reason, or five good reasons, to invest in a country. No more words than can be said during a minute-long elevator ride.

Ladies and gentlemen,

Recent referendums in France and Netherlands have thrown a big shadow on the further EU enlargements. There are strong voices who say that enlargements should be finished after the accession of Romania and Bulgaria.

I assure you that many members of the European Parliament, in particular the Moldova delegation of the European Parliament, are convinced that Moldova's future is in the EU. We will do everything so that Moldova gets this minute in the elevator to explain why it would be a good member of the EU.

**DRAFT**

Moldova must be ready to use this minute and to use it well. It must have achievements to show. There must be a credible promise of further achievements.

When Moldova manages to reform its economy, it becomes not only a more serious candidate for EU membership. It also becomes more attractive for the people of Transnistria region. Estonia's economic success was important in ending the secessionist attempts in Northeast Estonia at the beginning of the 1990s.

Moldova has the best tomato of the world and excellent wines. But it desperately needs to diversify its economy. It cannot remain predominantly agricultural hinterland. I'll do my best to support Moldovans on this path and I am convinced that after close contacts with open, frank and friendly Moldovan people you would like to do the same. I wish you good luck for discussions in this conference and all the best in your future work.

Thank you