

State of the State in Moldova

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Preface

The DEMSTAR Research Report series has three main objectives: (1) to report on empirical work carried out in a number of countries by the DEMSTAR project, (2) to provide comparative overviews of core issues addressed by the program, and (3) to explore wider theoretical perspectives and analyses generated by the central issues of state capacity, state-society relations, and administrative reforms.

The present volume addresses the first objective. Empirical in nature, it reports on a specific project involving state elites in Moldova. The ultimate aim of the report is intrinsically comparative as it follows in the footsteps of equivalent projects in Armenia, Azerbaijan, Bulgaria, the Czech Republic, Estonia, Georgia, Hungary, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Mongolia, Poland and Slovenia.

The first part presents the puzzle of Moldova as both a leader and laggard in the sense that it holds several records, such as being the only CIS country to have had three consecutive free elections in which power changed hands, while at the same time being recognized as a country riddled with corruption that has gone through a painful process of economic readjustment that has reduced the gross national product by almost two thirds. Discussing key features of the Moldovan political system and the state administration, this section provides the background for the survey. The following discussion outlines three points for further investigation: (1) the power structure in the political system, (2) administrative reform and implementation capacity, and (3) the embeddedness of the state.

After analyzing the results of the Moldovan survey, the report arrives at a number of tentative conclusions concerning these issues. These conclusions are to be discussed with a select group of Moldovan academic specialists to get useful feedback and pave the way for further analyses.

The Moldovan survey was carried out by The Center for Sociological, Politological and Psychological Analysis and Investigations (CIVIS) based in Chisinau under the direction of Eduard Mihailov. Seventynine respondents were included, representing four post-independence governments and two presidencies. The former group comprises 42 representatives from the administrations of Andrei Sangheli, Ion Ciubuc, Dumitri Braghis, and Vasile Tarlev. The latter group comprises 37 representatives from the Snegur and Lucinschi administrations. The DEMSTAR team would like to express our gratitude for the support granted by the Research Foundation of Aarhus University and the Danish Government's Social Science Research Council, without which the project would not have been possible.

1. Leader and laggard¹

Moldova was a breadbasket of the communist empire and chiefly modernized through investments in the agro-industrial sectors of the economy and enjoying the benefits of the advantageous inter-Soviet trading system with fixed prices.² However, the country remained the least urbanized of the Soviet Republics outside Central Asia.

Given that Moldova used to be a backward province of Romania dominated by large estates, early industrialization around the administrative centres also implied that numerous migrant Slavic workers came to the cities, only to be balanced by an influx of Moldovans who, having benefited from state education, showed social mobility. Even if ethnic Moldovans accounted for only about one-third of the urban population, compared to four-fifths of the rural population, the influx of Moldovans into the cities not only intensified inter-ethnic competition for housing and employment (King, 1999), but also paved the way for an emerging national consciousness and movement in the late 1980s. In the climate of easing restrictions during glasnost and perestroika, the nationalist current resulted in the mushrooming of new political parties, clubs and organizations demanding reform. The local communist regime did its best to ignore the reform pressures and, consequently, political changes only became possible after the newly created umbrella organization, the Moldovan Popular Front and its allies, corresponding to the processes in the Baltic states, won the elections to the Supreme Council of Moldova in 1990.

Fuelled by a cultural awakening among Moldovans, the mobilization behind reform and democracy also brought with it secessionist demands from the Gagauz minority in the South and from the Slavs in Transnistria. A split among the members of the Popular Front on the issue of relations with neighbouring states – primarily a question of reunion with Romania – and problems with domestic minorities demonstrated by the government's inability to gain control over Transnistria by military means coupled with a midlife crisis for the semi-presidential system – resulted in a political stalemate and drained the political system for the political capital needed to begin the transformation and to rebuild an economy in free fall. In order to understand the tremendous tasks that lay ahead, one must also recall that with the declaration of independence in 1991, the Moldovans undertook the task of building a sovereign free state on the ruins of a dependent republic with no historic memory of statehood and democracy.

Table 1. Moldovan records.

| |
|---|
| <p>Leader</p> <ul style="list-style-type: none">➤ Highest degree of civic and political freedom among CIS-countries in the 2002 FH-rating.➤ First CIS-country to become a member of the Council of Europe in 1995.➤ Third CIS-country to become a member of the WTO on July 26, 2001.➤ Proclaimed as a model of reform for CIS-countries in the mid-1990s by donor-countries. <p>... and laggard</p> <ul style="list-style-type: none">➤ Largest peacetime economic decline in modern times, GDP in 2002 being at one-third of the 1990 level.➤ Poorest country in Europe from the late 1990s onwards.➤ Civil War in Transnistria 1990-1991. Province still not controlled by the Moldovan government.➤ Most corrupt European country in 2002, according to Transparency International.➤ Highest infant mortality rate in Europe in 2002.➤ At least 12% of the population has emigrated since 1990.➤ According to polls, more than 80% of 18-29 year-olds say they wish to emigrate. |
|---|

Given these difficulties, it is not really surprising that the Republic of Moldova is to be found among the laggards on several accounts. It is in fact more surprising that the Republic of Moldova on other accounts can be seen as a star reformer and as the only country among the former Soviet republics, except for the Baltic States, to emerge as a genuine electoral democracy where power has changed hands peacefully several times (Table 1).

As a leader and laggard Moldova represents two puzzles: First that the country has managed to develop democracy in the face of poverty and an economy in free fall. Second, that the country has been proclaimed a model of reform with a track record of tackling a pension system under severe strain, a difficult privatization and individualization of agriculture and developing a free economy despite the stalemate in the political system. These two puzzles frame this report.

Democracy

Given that the citizens of Moldova were granted civil and political liberties, Moldova could, when power changed hands peacefully for the third time in the 2001 parliamentary elections, be considered a consolidated democracy – at least by a standard minimalist perception of democracy (Way, 2002). However, if the political culture at mass level is to be included in the definition of consolidation (see, for example, Diamond, 1999), there is still some ground to cover, as one survey found that almost 70 percent are in favour of re-introducing a one party system.³ By the same token, another survey found a high level of support for alternatives to democracy (Table 2).

It is thus fair to describe Moldova as a country where the existence and permanence of democracy very much depends on an inter-elite agreement over the ‘rules of the game’, an agreement that is all the more impressive because the country has faced an unprecedented economic downturn (Table 1). Basically, Moldovan democracy persists although the country lacks the otherwise important prerequisites of stable democracy emphasized in the debates within modernization literature (Lipset, 1959; Przeworski & Limongi, 1997; Przeworski, Alvares, Cheibub & Limongi, 1996). Herein lies the first Moldovan puzzle.

Table 2. Alternatives to democracy.

| | Agree | Disagree | D/N | Total |
|--|-------|----------|-----|-------|
| It would be better to restore the Communist system | 39 | 55 | 6 | 100 |
| The army should govern the country | 11 | 80 | 9 | 100 |
| Better to have a strong leader and get rid of Parliament | 59 | 33 | 8 | 100 |
| A return to monarchy would be better | 12 | 68 | 20 | 100 |

Question: There are different opinions about the nature of the state. To what extent do you think...

Source: White, Stephen (2000), ‘Public Opinion in Moldova’, *Studies in Public Policy*, No. 342.

While in particular the demonstrated commitment to democracy is praiseworthy, it should also be noted that the elite, except for the pressure from the possibility to ‘vote the rascals out’ in the regular elections, operates in an environment characterized by a flattened civil society (Linz & Stepan, 1996). Moldovan civil society is perhaps not directly hostile to democracy, but it is passive and unsupporting, as demonstrated in Table 2. Even if the elite, like in other transition countries, seized the opportunity to declare indepen-

dence, much of the ‘extra-ordinary political capital’ (Balcerowicz, 1995) was drained during the course of civil war, the disintegration of the reform movement and the severe economic decline. In short, the state lost much of its capability to manage the daunting process of change and withdrew from its previous position of almost total penetration of society.

Table 3. Number of organizations belonged to.

| | Percent |
|-----------|---------|
| 0 | |
| 1 | 62 |
| 2 | 4 |
| 3 or more | 2 |
| Total | 100 |

Source: White, Stephen (2000), ‘Public Opinion in Moldova’, *Studies in Public Policy*, No. 342.

Although the national awakening and the early transition were fuelled by outbursts of popular mobilization and the mushrooming of political and civil society organizations, this civic momentum has yet to become an institutionalized feature of democracy. At present, civil society is generally deemed weak (Way, 2002) and in a survey, 62 percent responded that they were not members of any organization (Table 3). Only 6 percent said they were members of 2 or more organizations. Generally, the weakness of civil society can be attributed to the cocktail of the legacy of communism and the overall decline of the economy. Individual financial constraints and insecurity lead citizens to be preoccupied with more mundane daily affairs. This adds a twist to Putnam’s (2000; 2002) observations about American civil society. The problem in Moldova is not so much that people are ‘Bowling Alone’, but that no-one can afford a bowling night.⁴ Foreign assistance is thus critical for the few organizations that make their way around the corridors of government in Kisinev.

The weakness of organized institutionalized civil society does not imply, however, that segments cannot be mobilized around particular issues, as witness the pensioners’ protests and the way nationalistic issues can still mobilize teachers and students. However, these outbursts do not lead to permanent organization, a feature that has contributed to the elite-driven-character of the transition.

The centrality of the state

State retrenchment is understandable in view of the previous regime's excessive governance (Peters, 1995), but the state remains central. Through the process of defining and deciding what normatively desirable policies are, the state gives meaning to democracy. Ability to deliver these policies renders the state 'usable' (Linz & Stepan, 1996) to the citizens. A usable state is one possessing the capacity to make and implement policies (Kjær & Hansen, 2002) and it is an entity in constant dialogue with organizations and citizens at large. This line of reasoning follows two sets of theoretical development. First, the lessons from the democratization debate arguing that not only the state (Linz & Stepan, 1996), but also civil society (Bernhard, 1996; Diamond, 1999) is central to the consolidation of democracy and, secondly, the lessons from development literature, where state capacity nowadays is not only considered important but where it is also argued that the state should be open and embedded within society, thereby involving societal actors in the policy process (Evans, 1995).

Table 4. The presence of government.

| | Percent |
|---------------|---------|
| A lot | 18 |
| Some | 35 |
| Not very much | 31 |
| None | 16 |
| Total | 100 |

Question: How much influence does the government in Chisinau have on what happens in the country?

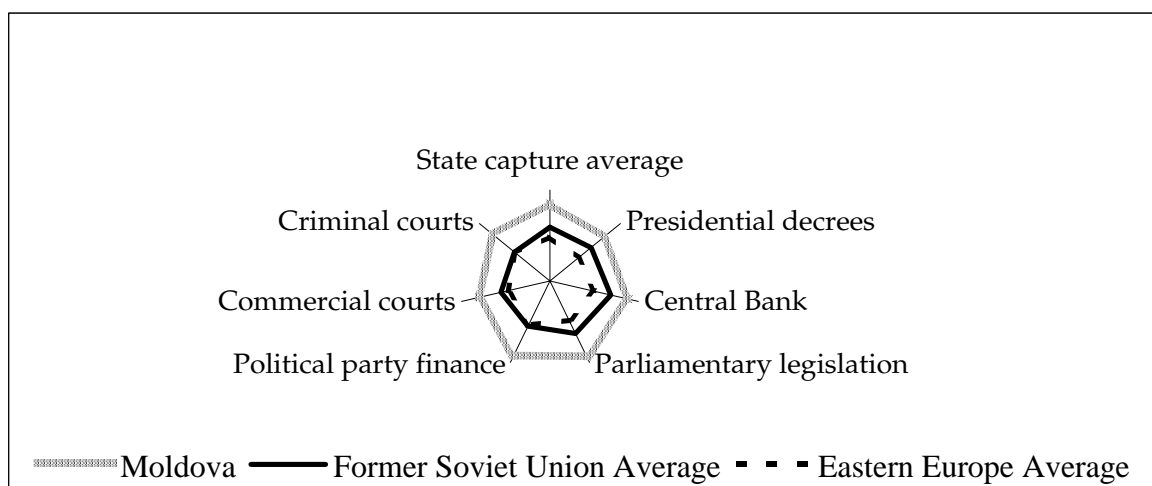
Source: White, Stephen (2000), 'Public Opinion in Moldova', *Studies in Public Policy*, No. 342.

As is almost obvious based on the record sheet (Table 1), a poll taken in the millennium year asking how much influence the government has on what happens in the country produced a balance where slightly more than half thought it had at least some (Table 4), 31 percent that it did not have much, and 16 percent who believed that it did not have any influence at all.

The distribution of these answers highlights the concerns of this study. In addition, and tantamount to these concerns, the flip side is that an embedded state runs the risk of state capture or is kept weak on purpose and exploited by specific social actors or by an elite from within, each party seeking their own returns at the expense of the common good. Naturally, states going through the process of systemic change characterized by a

turbulent legal environment and the legacies of communism are all the more vulnerable (Johannsen & Nørgaard, 2001). The state and democracy are undermined not only by preferential treatment of interests but also by misuse of office by politicians and officials.

Figur 1: State capture and its subcomponents in Moldova.



Source: Hellman, Jones, Kaufman & Schankerman (2000), figure developed from the accompanying datasheet (BEEPS) at www.worldbank.org/wbi/governance/

Table 5. By comparison with Soviet times has the level of bribery and corruption...

| | Percent |
|----------------------------|---------|
| Increased a lot | 73 |
| Increased a little | 15 |
| Has remained much the same | 9 |
| Decreased a little | 2 |
| Decreased a lot | 1 |
| Total | 100 |

Source: White, Stephen (2000), 'Public Opinion in Moldova', *Studies in Public Policy*, No. 342

According to one World Bank survey the Moldovan state has indeed been captured. Figure 1 is a graphic representation of the results of the survey comparing the Moldovan average and six core institutions with the averages achieved by other countries of the former Soviet Union and Eastern Europe. It portrays a state whose institutions are captured beyond what is seen in most other transition countries. This holds true for the commercial courts and the Central Bank, both of which are paramount to the development of a functioning market economy, and it is also true for the core institutions essential to a functioning democracy.

Furthermore, and as already noted above (Table 1), the country is according to Transparency International riddled with corruption. This conclusion is supported by the year 2000 opinion survey, in which respectively 88 and 86 percent of the respondents answered that the level of bribery and corruption had increased compared with Soviet times. Furthermore, the respondents also believed that bribery and corruption involved most or almost everyone in the national government (Tables 5 and 6).

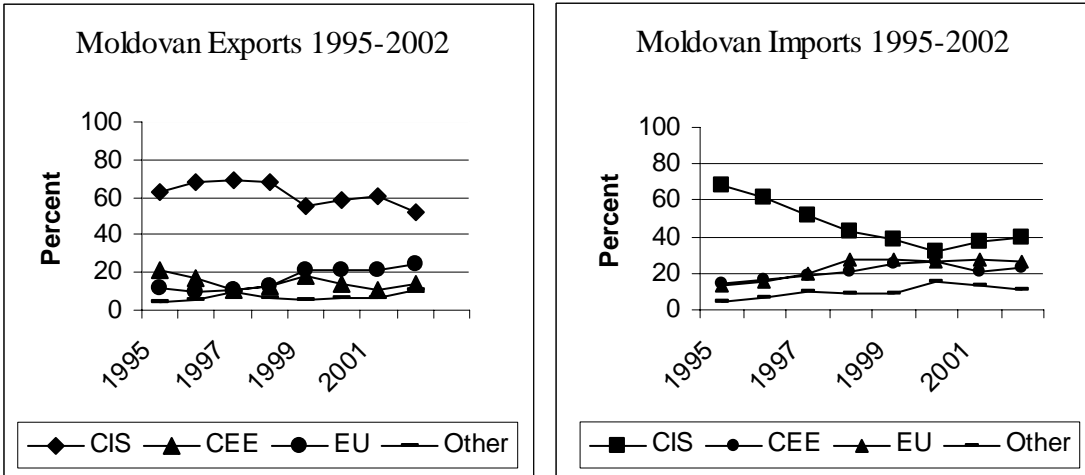
Table 6. Many are on the take.

| | Percent |
|-----------------------------|---------|
| Hardly anyone is involved | 2 |
| Not a lot | 12 |
| Most officials are involved | 47 |
| Almost everyone is corrupt | 39 |
| Total | 100 |

Question: In your opinion, how widespread is bribery and corruption in the national government in Chisinau?

Source: White, Stephen (2000), 'Public Opinion in Moldova', *Studies in Public Policy*, No. 342.

Figure 2. Moldovan import and export by area of origin and destination



Source: Moldovan Economic Trends

As a member of both the CIS and NATO's Partnership-for-Peace (PfP) programme, Moldova in accordance with constitutionally enshrined neutrality seeks to strike a balance between East and West. President Voronin toyed with the idea of seeking membership of the Russian-Belarusian Union, but

not much happened, and for good reason, as the country by and large is dependent on both East and West, not only because the CIS and the EU are the major trading partners (Figure 2) for the small open economy, but also because the key to a resolution of the problem with Transnistria can only be found with the assistance and cooperation of foreign actors, and finally, because membership of the Russian-Belarusian Union could be suicidal for Moldova's relationship with the international financial institutions.

The foreign debt by 2002 equalled more than a year's worth of production, and the ratio of debt service to exports totalled some 44 percent. Had Moldova been unable to reach an agreement on debt relief, debt service would equal 75 percent of the budget revenues. The limited sovereignty resulting from this dependency may explain a second puzzle of Moldova as an overachiever with respect to the adoption of reform measures.

The weakness of the state, plagued by corruption and captured as it is, presents a puzzling constellation. It is at the same time praised for making a difficult reform in agriculture (Csaki, Lerman & Nucifora, 1997), for building an open economy,⁵ and, after a series of prolonged ad hoc policy measures, adopting a radical reform of the public pension system that had come under severe strain (Cashu, 2000). The difficulties of implementation aside, it seems that the state demonstrated its ability to make policy even in the face of growing public pressure, as was evident in connection with the pension reform. However, in all three cases, the successive Moldovan governments were under considerable pressure and received technical assistance from international institutions like the World Bank and the IMF, who on several accounts have made fresh finance available, provided a sustained pace of reforms was upheld, and with pension reform topping the list of World Bank conditionalities for structural adjustment loans in 1995. Thus, the specific circumstances surrounding the three policy areas may be explained by a reinforcement of government capacity, if not outright capture, from the outside.

The DEMSTAR Report: A portrait of three arenas.

Moldova's record as a leader and laggard provides a unique background for the DEMSTAR survey on the State of the State in Moldova. The Moldovan state has demonstrated its commitment to sustained electoral democracy even as it experienced huge economic losses. It has made impressive and significant gains in economic reforms although plagued with corruption and facing severe difficulties in making its presence meaningful by implementing policies. In short: the state is in some senses unplugged and in another sense it is a bumblebee – it should not be capable of flying, but since it does not know that, it remains airborne.

In this first report we have chosen to focus on three areas of explanation, trying to give an impression of the capacity of a transition state based on firsthand knowledge and evaluation of central decision makers and administrators. The three areas parallel the puzzles above, seeking to explain the unplugged character of the state. Moreover, it is an attempt to find new venues for research where issues are not fully covered by the DEMSTAR survey or other sources.

First, despite its commitment to democracy, the elite it is sharply divided in outlook and values, which culminated in a paralysis of the political system throughout most of the 1990s. Tracking political developments, we argue that rational politicians will constantly search for institutional solutions that advance and promote their own interests (Johannsen, 2000). In Moldova, developments resulted in a battle over the institutional configuration of power between the presidency and parliament, eventually leading to the primacy of parliamentarism. Portraying this development, we ask in the DEMSTAR survey where power and influence are located within the political system.

Second, moving beyond the location of initiative and influence, we track the factual developments within the public administration. First, Moldova inherited a communist style public administration that relied heavily on a hierarchical order based on a 'command-and-control' system and subordination to political interests (i.e. the communist party). While structurally resembling the Weberian ideal, this politicization resulted in the development of a 'pass the buck' culture where even minor decisions had to be taken at the very top (Nørgaard & Johannsen, 1999). Overcoming that legacy and restoring a merit-based promotion system is just one of the daunting tasks facing the civil service, however. Second, new knowledge has to be acquired. The public administration must develop and master new policy instruments that are applicable in a democracy and market economy. Third, such policy instruments often require that more than one agency is involved in the planning and execution of a policy. This calls for the development of cross-departmental coordination of policy and implementation. Last, but not least, we know from studies in other transition countries⁶ that the difficulties associated with these tasks are exacerbated by a massive turnover and brain drain of civil servants who have fled the administration for better paid jobs elsewhere in the economy. In addition to the development of a professional public administration, the DEMSTAR survey asks questions concerning the ability 'to make things work on the ground', i.e. the capacity to implement political decisions and enforce regulatory measures.

Third, we examine if the state is becoming 'embedded', i.e. involves societal actors in the policy process (Evans, 1995). This is a developmentalist perspective in the sense that the involvement of civil society in the policy process helps us ascertain whether the elite-driven transition is gradually being replaced by cooperation with civil society, lending further legitimacy and capacity to the state. To elaborate, the pluralization of civil society and open cooperation with the state not only emerge as indicators of democratic consolidation, but also, as hypothesized by Weiss (1998) and Leftwich (1995), as a reinforcement of state capacities. This line of questioning is also useful to gauge the trajectory of the state, that is, whether the Moldovan state develops either in the direction of a minimalist state or as a more west European state type where social actors participate in policy formulation and implementation. As can be expected from the introductory description above, judgement is naturally hampered by the slow development and current crisis of civil society in Moldova. In short: there is not much for the ministers to work with. However, the DEMSTAR survey can serve not only as a portrait of the present situation, it can also provide us with the other side of the coin, namely how welcome such involvement is in the eyes of decisions makers. Finally, as a small European country, Moldova has to find its place among other small and larger nations. The country critically depends on open markets for its exports and available imports for its industry. Ranking among the poorest countries in Europe, it is also dependent on the transfer of know-how, expertise (not least given the process of systemic transformation) and credits. Furthermore, as a country torn by civil war and divided over the issue of Pan-Romanism, it is reasonable to expect that the division in outlook among the decision makers is confirmed in the DEMSTAR survey, but equally important is the nature and extent of foreign influence on the policy process.

2. Political development and institutional configuration

The Parliament seized the opportunity to declare independence following the failed *coup d'état* in Moscow in 1991, and later that year Mircea Snegur⁷ was elected president in an uncontested popular referendum (Table 6). Elsewhere in the CIS we have witnessed that presidents elected prior to the adoption a new democratic constitution have sought to strengthen the presidency during the constitutional struggle (Johannsen, 2000). Snegur, however, was unable to take advantage of the situation because of the dire treat to the young independent country when the insurgency erupted, more or less with the open support of remaining Russian forces, and because the issue of Pan-Romanism (among others) had driven a wedge between the

presidency and the Moldovan Popular Front that, together with its allies, commanded a majority in parliament (Crowther, 1997).

The constitution was adopted in 1994, creating a semi-presidential system. By allowing two separate routes to power, i.e. either through the presidency or the parliament, semi-presidentialism has both advantages and disadvantages. Some of these disadvantages came to the fore when it became clear that neither Snegur nor his successor Petru Luchinschi could rely on a loyal parliamentary majority. Frequently the weaknesses of political parties implied that government turned 'technocratic', i.e. appointed ministers without a firm base in parliament but who had a reputation as problem solvers (Ronnås & Orlova, 2000). It should be stressed, however, that this 'technocracy' is not without resonance in the political culture of Moldova and parallels the call for a strong leader evident in Table 2 above. Except for the Communist Party, no other political movement was internally coherent or had a stable organization. Furthermore, by the mid 1990s the political spectrum seemed divided into three camps whose relationships were quite uneasy: 1) the Pro-Romanian camp with its westward orientation, 2) a camp orientated toward socialism and Russia (including the renewed communist Party); and caught between the two poles a centrist and agrarian orientated faction (King, 1999) (Table 7).

Table 6. Prime ministers and presidents of the Republic of Moldova, 1990-2003.

| | Prime Ministers | | Presidents |
|------------------------|-------------------|------------------------|-----------------|
| May 1990 – May 1991 | Mircea Druc | Sep. 1990 – Jan. 1997 | Mircea Snegur |
| May 1991 – July 1992 | Valeriu Muravschi | | |
| July 1992 - Jan. 1997 | Andrei Sangheli | | |
| Jan. 1997 – March 1999 | Ion Ciubuc | Jan. 1997 - April 2001 | Petru Lucinschi |
| March 1999 – Dec. 1999 | Ion Sturza | | |
| Dec. 1999 – April 2001 | Dumitru Braghis | | |
| April 2001 - | Vasile Tarlev | April 2001 - | V. Voronin |

The resulting deadlocks and 'blame-games' (Way, 2002; Roper, 2002), reinforced by a disjointed cycle of presidency, parliamentary and local elections, fuelled the competition between the parliament and president, culminating in Luchinchi's outright call for a pure presidential system. The centre-right forces in parliament won the constitutional struggle in a countermove that established a parliamentary system where parliament elects a constitutionally weak president (ibid.). The move is somewhat surprising and is evidence of the uneasy relationship among the non-communists in Moldova. As discussed in the analysis of the Lithuanian constitutional struggle (Nørgaard

& Johannsen, 1999; Johannsen, 2000), organized parties have much more to gain from a parliamentary system than non-coherent coalitions do.

Table 7. Parliamentary elections in the Republic of Moldova, 1994-2001.*

| Party | 2001 | | 1998 | | 1994 | |
|---|------|-------|------|-------|------|-------|
| | % | Seats | % | Seats | % | Seats |
| Communist Party of Moldova | 49.9 | 71 | 30.1 | 40 | - | - |
| Electoral Bloc Braghis Alliance | 13.4 | 19 | 3.3 | - | - | - |
| Christian Democratic People's Party | 8.3 | 11 | - | - | 7.5 | 9 |
| Party of Rebirth and Conciliation | 5.7 | - | - | - | - | - |
| Democratic Party of Moldova | 5.1 | - | 18.2 | 24 | - | - |
| Party of Democratic Forces | 1.2 | - | 8.8 | 11 | 9.2 | 11 |
| Democratic Agrarian Party of Moldova | 1.2 | - | 3.7 | - | 43.2 | 56 |
| Socialist Party of Moldova-Unity Movement | 0.5 | - | 1.8 | - | 22 | 28 |
| Democratic Convention of Moldova | - | - | 19.2 | 26 | - | - |
| Others | 14.7 | - | 14.9 | - | 8.1 | - |
| Total | - | 101 | - | 101 | - | 104 |

*The 1990 election to the Supreme Soviet is not included because no data exist on the distribution on factions.

However, the centre-right forces seriously miscalculated their own fortune, at least in the short term, as the Communist Party emerged with a majority of the seats in the 2001 parliamentary elections. When the parliament elected him president, the combination of the constitutionally protected position of not being in power while in fact being in power due to his position within the Communist Party, has propelled party chairman Vladimir Voronin to a unique position among leaders in the former communist countries. Much in the same fashion as Sokolowski's (2001) description of intra-executive relations in Jeltzin's governments, Voronin is able to exploit (although not necessarily doing so) the system by playing 'blame-credit games' with the government. Furthermore, the Communist triumph at the election produced – for the first time since independence – a situation where one party controls both the executive and the legislature. The question is if a core executive has emerged beneath and during the institutional flux of political development where certain institutions come to coordinate policies and act as the final arbiter and decision maker?

The core executive

One aspect of a core executive is who should be considered important decisions makers, both formally and informally? Several questions in our battery of questions tap this issue. Thus, when asked who the most influential political actor is within their area of responsibility, it is perhaps not surprising that the president and the prime minister rank among those first mentioned (Table 8), but two issues should be noted. First, while six of the ministers point to the president, none of the presidential staffers considers the prime minister the most important political actor but instead point to the influence of individual ministers.

Second, it is important to note that a quarter of the respondents chose to answer 'other'. One possible explanation is that real influence sometimes lies outside the realm of politics. Almost paraphrasing the concept of capture, 40 percent of ministers and 35 percent of presidential staffers agreed that interference in their area of responsibility by other ministries or parties could be the consequences of a third party interfering in the decision making (Table 9).

Table 8. Influential political actors.

| | Government | | Presidency | |
|--|------------|---------|------------|---------|
| | N | Percent | N | Percent |
| President | 6 | 14.3 | 16 | 43.2 |
| Prime Minister | 9 | 21.4 | 0 | 0 |
| Ministers, vice-, deputy | 9 | 21.4 | 6 | 16.2 |
| Members of presidential administration | 0 | 0 | 1 | 2.7 |
| Parliamentary representatives | 3 | 7.1 | 0 | 0 |
| Other | 7 | 16.7 | 8 | 21.6 |
| No answer / No one | 8 | 19.0 | 6 | 16.2 |
| Total | 42 | 100 | 37 | 100 |

Question: Name the most influential political actor within your area of responsibility. Note: the various answers have been qualitatively grouped into the chosen categories.

Suspicion of third party influence could naturally be a phenomenon related to the confusing process of transition where interest aggregation has not yet found natural and stable recognizable expressions; or it could be related to widespread allegations of corruption or 'Cumatrism', where networks of associated 'commadras' help each other. These issues will be more fully explored at a later stage. For now, the issue at hand is whether a core coordinating institution has emerged.

Table 9. Influence from outside politics.

| | Government | | Presidency | |
|-------------|------------|---------|------------|---------|
| | N | Percent | N | Percent |
| Agree | 17 | 40.5 | 13 | 35.1 |
| Disagree | 12 | 28.6 | 12 | 32.4 |
| Do not know | 12 | 28.6 | 11 | 29.7 |
| N/A | 1 | 2.4 | 1 | 2.7 |
| | 42 | 100.0 | 37 | 100.0 |

Question: From your point of view, when other ministries or parties interfered in your business, could it be that a third party outside the realm of politics has interfered in the decision-making?

Even if most ministers believe that proposals for initiatives emerge from within their ministry, close to 80 percent report that they have experienced cases where other ministries, departments etc. have tried to gain influence on these. When asked about who does it most frequently (Table 10) there is a marked difference between ministers and members of the presidential administrations. Whereas the ministers overwhelmingly point to the Ministry of Finance (MOF) and the Ministry of Economics (MOE), the presidential staff report a range of ministries, probably reflecting that all ministries at some point have sought presidential attention.

Frequent attempts to interfere is only one aspect of an emergent core institution, however. When asked in broader terms to name the ministry or department with influence on other departments and ministries, the MOF emerges as the unparalleled core ministry. When the MOE is included these two ministries are named by half of their colleagues within the governments (Table 11). Reflecting the functions of the presidency with less ‘hands on’ implementation of policy but with important reviewing tasks, it is hardly surprising that approximately 30 percent mention the Juridical Department. Once more, we find that just one within the government and none of the presidential aides mentions the prime minister and his office.

The structure reflected in Tables 8, 10 and 11 first of all entails that the prime minister is out of the loop in relation to the presidency, and even within the government(s) only a minority point to the Prime Minister as having influence. It seems that if one were to point out the casualties of the constitutional battle, the prime minister is the first victim. It has not been possible to develop a strong Prime Minister’s Office in the past and this appears to be so still, perhaps because of Voronin’s position. Accepting this analysis implies that the process of constitutional consolidation is not over. A ceasefire engendered by Voronin’s unique position is perhaps not the

correct description, but we must expect that a consolidation of the institutional structures can only take place within a renewed process of accommodation between the institutions. Such a renewed process of accommodation is likely if elections produce results that lead to the appointment of a less powerful president, be it because of coalition bargaining or because the winning party is less structured and organized. If this occurs it is possible that the prime minister and his office will attempt to reassert themselves.

Table 10. Frequent influencers.

| | Government | | Presidency | |
|-----------------------------------|------------|---------|------------|---------|
| | N | Percent | N | Percent |
| Prime Minister | 1 | 2.4 | 1 | 2.7 |
| Minister of Finance | 12 | 28.6 | 2 | 5.4 |
| Minister of Foreign Affairs | 0 | 0 | 2 | 5.4 |
| Minister of Economics | 6 | 14.3 | 3 | 8.1 |
| Minister of Defence | 0 | 0 | 1 | 2.7 |
| Minister of the Environment | 0 | 0 | 1 | 2.7 |
| Minister of the Interior | 1 | 2.4 | 2 | 5.4 |
| Minister of Agriculture | 2 | 4.8 | 1 | 2.7 |
| Minister of Culture and Education | 0 | 0 | 2 | 5.4 |
| Minister of Labour | 0 | 0 | 1 | 2.7 |
| Minister of Health | 0 | 0 | 1 | 2.7 |
| Minister without Portfolio | 1 | 2.4 | 0 | 0 |
| Security Council | 1 | 2.4 | 1 | 2.7 |
| Other | 0 | 0 | 1 | 2.7 |
| No answer | 2 | 4.8 | 5 | 13.5 |
| Not answering | 16 | 38.1 | 13 | 35.1 |
| Total | 42 | 100.0 | 37 | 100.0 |

Question: In the cases where other ministries, departments or parliamentary committees tried to influence proposals in your own ministry, who did it most frequently?

Second, within the government the MOE and in particular the MOF have emerged as the influential ministries. Finding these two ECOFIN departments within government at the top of the list is not really surprising, given the general credit crunch and lack of available resources. It should be noted, however, that similar surveys in other countries have found less fragmentation than in Moldova. Thus, the ECOFIN ministries may be unparalleled in Moldova, but cross-ministerial coordination seems less developed

than in, for example, Hungary.⁸ Furthermore, with ECOFIN ministries⁹ emerging as the core, foreign actors like the IMF and the World Bank to some extent have a spearhead that ‘speaks the same language’. Whether a symbiosis has developed between the ECOFIN departments and international financial institutions will be further discussed in section 5 below. Finally, evidence presented in Table 9 not only shows suspension of ‘influence by proxy’ from the outside, but also suggests – at best – non-transparent interest aggregation and – at worst – capture.

Table 11. The core ministry.

| | Government | | Presidency | |
|---------------------------------|------------|---------|------------|---------|
| | N | Percent | N | Percent |
| Prime Minister | 1 | 2.4 | 0 | 0 |
| Minister of Foreign Affairs | 1 | 2.4 | 1 | 2.7 |
| Minister of Finance | 18 | 42.9 | 0 | 0 |
| Minister of Economics | 3 | 7.1 | 1 | 2.7 |
| Minister without Portfolio | 1 | 2.4 | 0 | 0 |
| Presidential Administration | 3 | 7.1 | 6 | 16.2 |
| Security Council | 2 | 4.8 | 2 | 5.4 |
| Juridical department | 0 | 0 | 11 | 29.7 |
| Department of presidential acts | 0 | 0 | 5 | 13.5 |
| Department of foreign policy | 0 | 0 | 2 | 5.4 |
| Economic department | 0 | 0 | 1 | 2.7 |
| Other | 7 | 16.7 | 5 | 13.5 |
| No answer | 6 | 14.3 | 3 | 8.1 |
| Total | 42 | 100.0 | 37 | 100 |

Question: Which ministry or presidential department do you consider to be the core ministry or department in terms of influence on decision-making in other ministries and/or departments?

The values of the core executive and the state elite

Letting the Moldovan state-elite speak for themselves about democratic values and the preferred role of the state the in economy and society reveals a picture of an optimistic and realistic elite. They do to a large extent share common values about which form of society is preferable, affirming their continued commitment to democracy. However, as is evident from Table 12, there is also a segment that believes in the elite democracy.

Table 12 shows that about two-thirds of the ministers and presidential staffers surveyed adhere to a west European style democracy where citizens

organize to gain influence. Around one fourth believe in a model where citizens communicate their views to their representatives through letters etc. Belief in elite democracy is more widespread among presidential staffers, probably reflecting the nature of presidentialism, i.e. winner-takes-all, and perhaps sharing the popular consonance for a strong leader who can make and implement policies without having to go through the cumbersome procedures of democracy. Cross-tabulation over time also shows that while support for a West European model fluctuates somewhat between governments, we also find that less support is forthcoming from the members of the Tarlev government. This is perhaps to be expected, given the legacy of communism with long roots in Plato’s political theory of the Philosopher state and it contrasts staffers and ministers who have served during the Luchinshi presidency, as they tend to place greater emphasis on the development of a strong civil society.

Table 12. What role should the public primarily play in politics and government?

| | Government | | Presidency | |
|--|------------|---------|------------|---------|
| | N | Percent | N | Percent |
| Public should elect representatives and let them run the country | 5 | 11.9 | 7 | 18.9 |
| Public should take interest in politics and communicate views | 12 | 28.6 | 8 | 21.6 |
| Public should become engaged in organizations to gain influence | 25 | 59.5 | 22 | 59.5 |
| Total | 42 | 100.0 | 37 | 100.0 |

Table 13. What is your preferred degree of state involvement in the economy?

| | Government | | Presidency | |
|----------------------------|------------|---------|------------|---------|
| | N | Percent | N | Percent |
| More State involvement | 7 | 16.6 | 11 | 29.7 |
| Current balance | 1 | 2.4 | 1 | 2.7 |
| More individual initiative | 34 | 80.9 | 21 | 56.7 |
| Do not know | 0 | 0 | 4 | 10.8 |
| Total | 42 | 100 | 37 | 100 |

Questioned about the role of the state in the economy, a large majority of the ministers believe that much more individual initiative is needed (Table 13), but a majority also believe that much more state involvement in society is needed (Table 14). One explanation could be that if we accept that support

for market economy is just that, but that the decision makers interviewed in the DEMSTAR survey recognize that state withdrawal has been costly and, corresponding to the survey results reported in Table 4, believe that involvement such as policing, education, health care and care for the elderly are basic functions of the state, tasks and services, all of which the state is unable to deliver at present.

An interesting observation can, however, be made if the distribution of answers is cross-tabulated over time, reflecting the different governments and presidencies. Persons affiliated with the Lucinschi presidency are relatively more liberal than those affiliated with the Snegur-presidency, whereas the members from the Tarlev government are the most liberal on both state involvement in the economy and society.

Table 14. What is your preferred degree of state involvement in society?

| | Government | | Presidency | |
|----------------------------|------------|---------|------------|---------|
| | N | Percent | N | Percent |
| More State involvement | 35 | 59.5 | 23 | 62.1 |
| Current balance | 2 | 4.8 | 1 | 2.7 |
| More individual initiative | 15 | 35.7 | 9 | 24.3 |
| Do not know | 0 | 0 | 4 | 10.8 |
| Total | 42 | 100 | 37 | 100 |

The question is if these answers instead reflect the practicalities of government and/or are meant to guard against allegations of 'conservative communism'. Another interpretation can be derived using the insights of the Economist Intelligence Unit, who write that: 'Although the ruling CPM will continue to dominate the country's political institutions, the party's internal divisions will impede policy formulation and could eventually lead to an open split within the CPM.' (EIU, 2002, pp. 7-8). In short, these answers should reflect an emerging chink in the armour of the Communist Party, one section infused by the practicalities of being in government and trying to modernize along a western social democratic path, and another section around the CPM parliamentary faction chairman Victor Stepaniuc emphasizing an eastern oriented conservative communism. Nevertheless, as of yet president Voronin has avoided open rifts.

3. The civil service: Reform and implementation

Below the level of ministers the civil service itself faced numerous problems as the transition to independence, market economy and democracy not only

called for reforms in relation to the inherited communist administrative culture but also in the processing of policies. Moldova initiated reforms with The Law of the Republic of Moldova (on civil service, no. 433) in 1995. These reforms almost by necessity had to involve a change in career and recruitment patterns – developing a professional civil service based on Weberian principles.

According to a survey of 2,396 civil servants by the World Bank (Administrative & Civil Service Reform)¹⁰ in 2000, there has been progress on almost all fronts. But the survey also reveals evidence of a politicized civil service with poor budget management. Moreover, poor performance is seldom punished and there are few awards for making an extra effort, which also implies that there is no common vision, neither on what good performance is, nor on how to use performance indicators to improve efficiency. Furthermore, even if merit based promotion does exist to a certain degree (it is helpful if you have political connections), management practices are non-transparent. Finally, the civil servants portray a public sector riddled with corruption and more than half the respondents believed that the quality of their lives over the past year had been unacceptable or absolutely unacceptable. This is related to the low salaries and wage arrears within the public sector. Half of the respondent indicate that their salaries, if they received them at all, only provided for the bare minimum. This somewhat bleak picture of the public administration should, however, be counterbalanced by the finding that officials are generally well qualified for the positions they occupy, four-fifths having received higher education and more than half indicating that they have been given sufficient training and instruction for their present position. Furthermore, despite the low salaries, turnover did not seem to be as salient a problem in Moldova as elsewhere because government employment not only carries social prestige but also job security. Thus, compared to countries in the same 'income-bracket' Moldova has an advantageous position which can be capitalized to enhance public sector capacity.

The rule of thumb expectation is that disarray in the civil service is likely to lead to poor implementation capacity, but the World Bank survey tracks neither implementation problems nor, which we believe critical to any civil service reform, political support for Weberian principles. The question is hence if such support can be found at the ministerial level and whether the ministers perceive implementation problems or not.

A Weberian administration?

According to the ministers and presidential staffers, a civil servant should not only be able to advise on technical matters (Table 15a). A majority of the

ministers and 9 out of 10 within the presidential administration also believe that a civil servant should be able to advise on political strategy (15b). Given the nature of past and present presidential administrations it is hardly surprising that the 'good civil servant' is able to do both. However, while this dual role is not uncommon in other countries, where ministers rely on the loyalty of the civil service to the present government – only to see this loyalty transferred to the new government – it could be that the Moldovan ministers, in particular those appointed for technocratic merit rather than politicians schooled in the process of politics, are more dependent concerning such advice. Furthermore, judging by the answers reported in Table 16, the advice given by the civil servants seems to be first rate as only one has completely lost trust.

Table 15a. Should civil servants advise on technical matters?

| | Government | | Presidency | |
|-----------|------------|---------|------------|---------|
| | N | Percent | N | Percent |
| Agree | 40 | 95.2 | 32 | 86.5 |
| Disagree | 2 | 4.8 | 1 | 2.7 |
| No answer | 0 | 0 | 4 | 10.8 |
| Total | 42 | 100.0 | 37 | 100.0 |

However, it would be a clear break with the Weberian principles if ministers either promoted personnel for reasons other than merit or accepted the short-term advantages of having political compatriots as civil servants and advisors. Judging by the answers, this is not the case in Moldova (Table 17), as more than 90 percent either oppose the idea of political civil servants or reply that it is not significant which political party a civil servant belongs to.

Table 15b. Should civil servants advise on political strategy?

| | Government | | Presidency | |
|-----------|------------|---------|------------|---------|
| | N | Percent | N | Percent |
| Agree | 26 | 61.9 | 33 | 89.2 |
| Disagree | 13 | 31.0 | 3 | 8.1 |
| No answer | 3 | 7.1 | 1 | 2.7 |
| Total | 42 | 100.0 | 37 | 100.0 |

Table 16. Civil servants give good advice.

| | N | Percent |
|----------------|----|---------|
| Yes, mostly | 60 | 75,9 |
| Yes, sometimes | 12 | 15,2 |
| Rarely | 4 | 5,1 |
| No, not at all | 1 | 1,3 |
| N/A | 2 | 2,5 |
| Total | 79 | 100,0 |

Question: In most cases could/can you trust your ministerial officials to provide reliable and intelligent information?

Table 17. Desirability of politically appointed civil servants.

| | N | Percent |
|--------------------|----|---------|
| Strongly agree | 1 | 1.3 |
| Agree | 6 | 7.6 |
| Disagree | 24 | 30.4 |
| Strongly disagree | 27 | 34.2 |
| Of no significance | 21 | 26.6 |
| Total | 79 | 100.0 |

Question: Do you agree that it is desirable that civil servants are members of a governing coalition party?

The devil however lies in the detail, in that a majority believe that it is better if they themselves can appoint their 'own' civil servants (Table 18). One respondent made a comment that echoes the non-transparent management

Table 18. Ministers would like to appoint their own civil servants.

| | Government | | Presidency | |
|-------------------|------------|---------|------------|---------|
| | N | Percent | N | Percent |
| Strongly agree | 12 | 28.6 | 5 | 13.5 |
| Agree | 21 | 50.0 | 24 | 64.9 |
| Disagree | 6 | 14.3 | 6 | 16.2 |
| Strongly disagree | 2 | 4.8 | 1 | 2.7 |
| Do not know | 1 | 2.4 | 1 | 2.7 |
| Total | 42 | 100.0 | 37 | 100.0 |

Question: In your opinion, is it better when ministers themselves can appoint their civil servants?

reported in the World Bank survey, clearly stating that the culture of ‘cumatrimism’ resulted in what cannot be termed political appointments but rather appointments from within the network. Political parties are generally in a flux and play insignificant roles with respect to policy formulation; hence it seems a reasonable explanation.

Table 19. Taking the opportunity to replace staff.

| | N | Percent |
|----------------|----|---------|
| Most | 33 | 41.8 |
| About half | 4 | 5.1 |
| Less than half | 22 | 27.8 |
| None | 12 | 15.2 |
| Do not know | 8 | 10.1 |
| Total | 79 | 100:0 |

Question: In general, how many of the ordinary administrative staff are/were replaced when a new minister from another party appears/ed in the ministry?

Either way, there is a quite significant turnover of staff when a new minister is appointed (Table 19). Only 12 out of the 79 respondents do not experience staff turnover above the already substantial and ‘normal’ rate. Here the DEMSTAR survey on the one hand clearly departs from, and on the other supports, the World Bank survey discussed above. It departs because the ministers clearly perceive turnover to be massive and it supports because the data here support the observation of non-transparent promotion and employment policy.

In sum, while support for Weberian principles is indeed found, it also seems that below that we find a non-transparent system in which a massive turnover takes place. A majority of the ministers prefer to appoint members of the administration themselves. This opens up for nepotism, cumatrimism or political replacements where jobs can be used as bargaining chips, as reward and punishment of political allies and opponents, or simply as a way of doing favours for old friends in the network.

The capacity to make it real

Who formulates policies and how is but one aspect of state capacity. For most citizens the concern is whether such policies in fact make a difference in their daily lives or just remain beautiful intensions. This is not to say that political symbolism is not important, however. If the state fails to get its policies hammered out and respected, it not only represents a declining rate of return on taxpayers' money, but citizens are also likely to loose faith in the

meaning of the state, causing them to eventually seek ways around for their own survival, including being less forthcoming in paying their dues to the state.

As we have seen above (Table 4), faith in the state is somewhat constrained, which could in part be due to implementation failure. There is every reason to believe that implementation capacity has declined as more than half of the ministers and presidential staffers agree that civil servants were better at implementing political decisions under communism than they are now (Table 20).

Table 20. Declining implementation capacity.

| | Government | | Presidency | |
|------------------------|------------|---------|------------|---------|
| | N | Percent | N | Percent |
| Strongly agree | 3 | 7.1 | 1 | 2.7 |
| Agree | 19 | 45.2 | 23 | 62.2 |
| Disagree | 15 | 35.7 | 8 | 21.6 |
| Strongly disagree | 3 | 7.1 | 1 | 2.7 |
| Do not know/ no answer | 2 | 4.8 | 4 | 10.8 |
| Total | 42 | 100.0 | 37 | 100.0 |

Question: In your opinion, did the civil servants implement political decisions more efficiently under the communist system than they do now?

This evaluation is obviously conditioned by the turbulence of a systemic transition with its attendant requirements of new know-how in conjunction with budget cuts and brain-drain. Thus, it is probably realistic and may actually express recognition of the decline in capacity, rather than general distrust in the civil service. Declining implementation capacity should mean more cases of policy failure – failures and difficulties for which the ministers and (to a lesser extent) presidential staffers are willing to assume personal responsibility (Table 21).

Table 21. The buck stops here.

| | Government | | Presidency | |
|-----------|------------|---------|------------|---------|
| | N | Percent | N | Percent |
| Yes | 33 | 78.6 | 22 | 59.5 |
| No | 7 | 16.7 | 11 | 29.7 |
| No answer | 2 | 4.8 | 4 | 10.8 |
| Total | 42 | 100.0 | 37 | 100.0 |

Question: Did you take personal responsibility in cases where the implementation or a policy program faced difficulties?

Executive willingness to assume personal responsibility is important and the pattern is almost uniform across different administrations and types of ministries (cross-tabulation). It is important because ministerial responsibility is a cornerstone of parliamentarism where the executive cannot rule without the support of a parliamentary majority. The executive has to assume responsibility for its actions, otherwise institutions like the 'vote of confidence' (and ultimately the vote of no confidence) in the government or in individual ministers become meaningless. The uniformity of the pattern is important as this is indicative of the permanence of a democratic culture.

Table 22 presents the frequencies of the 8 most common implementation difficulties. Not surprisingly, insufficient resources top the list, closely followed by poor staff motivation and a lack of co-ordination and information.

Table 22. Implementation difficulties encountered.

| | Government | | | Presidency | | |
|---|------------|----|----|------------|----|----|
| | Yes | No | N | Yes | No | N |
| Inadequate resources (time and finances) | 32 | 10 | 42 | 27 | 10 | 37 |
| Lack of understanding and agreement on objectives | 8 | 34 | 42 | 16 | 21 | 37 |
| Poor policy design | 8 | 34 | 42 | 13 | 24 | 37 |
| Lack of co-ordination and information | 16 | 26 | 42 | 16 | 21 | 37 |
| Lack of monitoring and evaluation activity | 13 | 29 | 42 | 13 | 24 | 37 |
| Tasks were insufficiently specified | 8 | 34 | 42 | 5 | 32 | 37 |
| Outside interference in the program | 14 | 28 | 42 | 7 | 30 | 37 |
| Insufficient staff motivation | 30 | 12 | 42 | 20 | 17 | 37 |

Question: Some people claim that there are many obstacles to implementing policy effectively and efficiently. Have you experienced obstacles such as...?

Some ministers and presidential staffers do indeed seem to have more than their fair share of problems. An analysis of the combined number of problems encountered by the government and presidency (Tables 23a and 23b) shows that some have experienced a whole range of problems. Thus, more than 60 percent have experience with 3 or more problems. A few even name all the problems associated with implementation.

Table 23a. Combined number of implementation problems encountered. Government.

| | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | Total |
|---------|-----|------|------|------|------|-----|-----|-----|-----|-------|
| N | 2 | 7 | 6 | 12 | 8 | 3 | 2 | 1 | 1 | 42 |
| Percent | 4.8 | 16.7 | 14.3 | 28.6 | 19.0 | 7.1 | 4.8 | 2.4 | 2.4 | 100 |

Table 23b. Combined number of implementation problems encountered. Presidency.

| | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | Total |
|---------|---|------|------|------|------|-----|-----|-----|-----|-------|
| N | - | 6 | 8 | 13 | 4 | 1 | 2 | 1 | 2 | 37 |
| Percent | - | 16.2 | 21.6 | 35.1 | 10.8 | 2.7 | 5.4 | 2.7 | 5.4 | 100 |

It is somewhat surprising, but could be part of the legacy of the semi-presidential system and the constitutional struggle that members of the presidential administration in general tend to encounter a greater number of implementation problems than the government in general (Table 24). However, when we broke down the numbers according types of ministries, whether they have productions functions, sector regulatory functions, or general regulatory function and coordinating tasks, we were surprised to learn that the highest number is found within ministries with sectoral regulatory functions. Maybe this is due to the practical turnaround of sector planning, the whole body of which has had to be rewritten and implemented to focus it toward the market. That the coordinating ministries report the second highest number likely reflects that lack of coordination and information, monitoring and evaluation seem to be salient features of the entire public administration. We have already noted that despite the unparalleled importance of the ECOFIN ministries, it is less evident who actually has the coordinating responsibility within the Moldovan administration than it is in other countries. The presidential administration is one solution, but the confusion during the constitutional struggle has made this less evident and one may speculate if the high number of presidential staffers who report a lack of understanding and agreement on objectives do so due to this phenomenon. Policies thought out in the echelons of the presidential building are simply not communicated sufficiently or, alternatively, are changed on the ground according to the interests of the implementing agency.

Table 24. Average problems encountered by type of ministry, Government and presidency in general.

| Sectoral regulatory functions | Production functions | General regulatory functions | Regulating or coordinating tasks | Total Government | Total Presidency |
|-------------------------------|----------------------|------------------------------|----------------------------------|------------------|------------------|
| 3.7 | 2.7 | 2.6 | 3.2 | 3.1 | 3.2 |

An interesting feature is that the lack of resources is not significantly related (Pearson Correlation) to any of the other problems. A correlation analysis of the implementation problems thus shows that more resources is not the only solution to the decline in implementation capacity, but rather that there is plenty of room to improve the public sector utilizing only the resources already available.

The correlation analysis contains two clusters of particularly interesting variables: First, that lack of coordination and information, poor policy design, absence of monitoring and evaluation activities, insufficiently specified tasks and lack of agreement are closely related. Second, that insufficient staff motivation, mentioned by a number of presidential staffers, shows correlations between the lack of agreement and understanding and with absence of monitoring and evaluation strategies. While the first group suggests that administrative reorganization to strengthen communication within and between departments should be in focus, the latter suggests that staff motivation is not only a matter of pay checks.

Using a slightly more advanced technique, three implementation factors emerge that both add to and support the explanation found in the correlation analysis above (Table 25). Together the three components explain 56 percent of the observed variation in implementation problems. Beneath the first factor we find that poor policy design, lack of coordination and information, lack of monitoring and evaluation activity and insufficiently specified tasks load firmly together, paralleling the pattern found above. In one interpretation we might call this the need for administrative reorganization. The second component represents the classical problems of implementation. Here we find that resources, lack of understanding and agreement among involved officials and insufficient staff motivation are the prime loaders. The third factor is the most interesting component, however. Explaining 14.1 percent of the variation, outside interference is the main problem. It should at this stage be noted that the lower loadings with respect to lack of understanding and agreement and insufficiently specified tasks do lend theoretical support as unclear agreement and a lack of clarity in tasks and regulations may pave the way for both illicit interests and other departments.

Another way to describe the declining capacity to implement is to examine whether the ministers believe that they can get citizens to comply with regulatory measures, that is, whether regulations are observed and adhered to. However, when probing into this issue it can be observed that the state does indeed seem to have its share of enforcement problems as

more than 60 percent believe it possible for various non-state actors to escape regulation (Table 26).

Table 25. Rotated Component Matrix of implementation problems.

| | Component | | |
|--|-----------|-------|-------|
| | 1 | 2 | 3 |
| Inadequate resources | 0.11 | 0.56 | -0.09 |
| Lack of understanding and agreement | -0.03 | 0.59 | 0.39 |
| Poor policy design | 0.75 | 0.14 | 0.04 |
| Lack of coordination and information | 0.71 | 0.01 | -0.02 |
| Lack of monitoring and evaluation activity | 0.62 | 0.34 | -0.19 |
| Insufficiently specified tasks | 0.65 | 0.30 | 0.37 |
| Interference in the program from outside | 0.02 | -0.03 | 0.99 |
| Insufficient staff motivation | 0.02 | 0.78 | 0.00 |
| Variance explained by component (percent) | 23.6 | 18.7 | 14.1 |

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.

Table 26. Powerful non-state actors (individuals, organizations, business etc.) can escape regulatory measures.

| | Government | | Presidency | |
|-------------------|------------|---------|------------|---------|
| | N | Percent | N | Percent |
| Strongly agree | 0.33 | 0.8 | 1.7 | 4.6 |
| Agree | 26.3 | 62.6 | 22.3 | 60.3 |
| Disagree | 6 | 14.3 | 8.3 | 22.4 |
| Strongly Disagree | 3.3 | 7.9 | 2.7 | 7.3 |
| Do not know | 6 | 14.3 | 2 | 5.4 |
| Total | 42 | 100 | 37 | 100 |

Note: A factor-analysis shows that the three questions are covered by one dimension where the component explains 97% of the variance.

But it is even more disheartening that ministers with sectoral regulatory functions and those with regulating and coordination tasks, that is, the ministers who encounter these non-state actors frequently, clearly answer most affirmatively to the question. It was a relief to find, however, that capacity does not seem to be deteriorating further as respondents from the Snegur administration are much more confirmatory than are members of the Luchinchi administration.

Table 27. Improving implementation with the help of business and concerned interests.

| | Government | | Presidency | |
|------------------------|------------|---------|------------|---------|
| | N | Percent | N | Percent |
| Strongly agree | 9 | 21.4 | 3 | 8.1 |
| Agree | 27 | 64.3 | 31 | 83.8 |
| Disagree | 4 | 9.5 | 2 | 5.4 |
| Do not know/ no answer | 2 | 4.8 | 1 | 2.7 |
| Total | 42 | 100.0 | 37 | 100.0 |

Question: To what extent do you agree with the following proposition? To ensure compliance in the process of implementation, it is better when private business organizations or other concerned interests participate as undertakers in the process.

On the one hand, it appears to be like letting the wolf mind the sheep when the ministers themselves see possibilities of improving implementation by involving private business or by encouraging other concerned interests to participate in the process (Table 27). While the answers in general support the western orientation and show coherency with the values expressed in the section on the core executive, it may, on the other hand, not be much of a wolf as the encountered implementation problems are not closely related to the problem of enforcement capacity. Both correlation and regression techniques show that only the classical implementation problems component is vaguely (but significantly) related to enforcement capacity.

4. The embedded state

With a core executive expressing westwards oriented values, Moldova is trying to strike a balance between being embedded, i.e. involving social forces within society, and the dangers of capture and corruption. Embeddedness is not only a risky process in relation to domestic agents. It also offers risks and benefits in relation to foreign powers and institutions. In the following we seek to trace patterns of corruption, the extent to which civil society is co-opted, and state relations with foreign partners.

Corruption

The severity of the implementation problems requiring attention in their own right notwithstanding, enforcement problems also represent an issue in their own right. We have earlier seen how principled support for a Weberian type administration clashed with home-grown customs like cumatrim, and we know from other sources that corrupt practices seem widespread. Furthermore, it should be recalled that the Moldovan state elites suspect that

third parties outside the realm of politics have influence and are able to have other departments function as their agents.

Table 28. Misuse is common.

| | Government | | Presidency | |
|----------------|------------|---------|------------|---------|
| | N | Percent | N | Percent |
| Strongly agree | 4 | 9.5 | 5 | 13.5 |
| Agree | 27 | 64.3 | 27 | 73.0 |
| Disagree | 8 | 19.0 | 2 | 5.4 |
| Do not know | 3 | 7.1 | 3 | 8.1 |
| Total | 42 | 100.0 | 37 | 100.0 |

Question: Do you agree that misuse of status is common in your country’s politics?

The state elite in the DEMSTAR survey support other findings as well, portraying the country as penetrated by corrupt structures and practices. Fully 88.5 of the members of the presidential administration and and 73.8 percent of the government agree that misuse of status is common in politics (Table 28). While not in itself much of a new record, it is on a par with responses from Latvia and Lithuania.¹¹ Furthermore, it appears to be a stable phenomenon as responses do not vary much across time or type of ministry.

However, less than half of the ministers and an even smaller share of the presidential staffers have personally experienced attempts of bribery (Table 29a). However, more than half have heard about such attempts in other ministries (Table 29b). Needless to say, this pattern makes it difficult to judge whether the expressed evaluation is based on factual information and personal experiences or on hearsay and gossip. A cross-tabulation thus reveals that only one of the presidential staffers, who reported that he had not experienced attempts of illicit inducements, also stated that misuse is not common. Yet, as approximately half of the ministers report firsthand knowledge (Table 29a) and roughly a third of the respondents claim to have obtained knowledge of irregular activities in the government during their time in office (Table 30), saying that ‘it is more than one feather turning into five hens’ seems to be on the safe side of interpretation.

When asked about where misuse is most commonly practiced, there is hardly any distinction between the different levels. Thus, the elite believe corruption to be equally normal among top and lower level officials. Regardless of the one respondent who, when asked this question, in his open comments almost began to recite the entire phonebook of the state from the very top of the political system on down, it is demoralizing that the phenomenon does not appear to be restricted to the lower level. Corruption seems to

be pervasive at all levels and is not solely a matter of underpaid staff seeking to supplement their income through petty corruption like looking the other way or by giving applications favorable treatment.

Table 29a. Few have personally experienced attempts of bribery.

| | Government | | Presidency | |
|-------------|------------|---------|------------|---------|
| | N | Percent | N | Percent |
| Often | 1 | 24 | | |
| Sometimes | 7 | 16.7 | | |
| A few times | 9 | 21.4 | 4 | 10.8 |
| Never | 21 | 50.0 | 32 | 86.5 |
| No answer | 4 | 9.5 | 1 | 2.7 |
| Total | 42 | 100.0 | 37 | 100.0 |

Question: During your time in office, did you experience attempts to bribe you into favoring specific groups or individuals?

Table 29b. ... but many have heard about it!

| | Government | | Presidency | |
|-----------|------------|---------|------------|---------|
| | N | Percent | N | Percent |
| Yes | 24 | 57.1 | 21 | 56.8 |
| No | 17 | 40.5 | 15 | 40.5 |
| No answer | 1 | 2.4 | 1 | 2.7 |
| Total | 42 | 100.0 | 37 | 100.0 |

Question: During your time in office, have you heard of such attempts in other ministries?

Table 30. Firsthand knowledge of irregular activities.

| | Government | | Presidency | |
|--------------------------|------------|---------|------------|---------|
| | N | Percent | N | Percent |
| Yes, in my own ministry | 10 | 23.8 | 1 | 2.7 |
| Yes, in other ministries | 6 | 14.3 | 9 | 24.3 |
| No, but I assume so | 15 | 35.7 | 19 | 51.4 |
| No, not at all | 10 | 23.8 | 8 | 21.6 |
| No answer | 1 | 2.4 | 0 | 0 |
| Total | 42 | 100.0 | 37 | 100.0 |

Question: During your time in office, did you obtain any knowledge about persons engaged in irregular activities on the governmental level?

Regardless of this finding, the state elite clearly see low salaries in conjunction with low moral standards as the principal causes of corruption (Table 31). A few point to illegal organizations and although respectively 18 and 20 respondents mention this as the 2nd and 3rd principal causes, it seems that of much the talk about 'eastern organized crime' is overstated. Even less evidence points to the legacy of the Soviet system, that is, that corruption practices were already established during communism and were systemic in nature.

Table 31. The main courses of corruption.

| | 1st | | 2 nd | | 3rd | |
|-------------------------------------|------|------|-----------------|------|------|------|
| Too low salaries | 60.8 | (48) | 16.5 | (13) | 13.9 | (11) |
| Low moral quality of civil servants | 20.3 | (16) | 39.2 | (31) | 16.5 | (13) |
| Legacy of the soviet system | 7.6 | (6) | 6.3 | (5) | 16.5 | (13) |
| Illegal organizations | 10.1 | (8) | 22.8 | (18) | 25.3 | (20) |
| Other | 0 | (0) | 8.9 | (7) | 7.6 | (6) |
| No answer | 1.3 | (1) | 6.3 | (5) | 20.3 | (16) |
| Total | 100 | (79) | 100 | (79) | 100 | (79) |

Question: In your opinion, what is the main cause of corruption in the state administration? A total of governmental and presidential surveys. Pct (N)

The reasons are thus indigenous and transitory. With respect to latter, the survey offers some hope in the sense that a cross-tabulation shows that the tendency to identify low salaries as the principal cause increases over time, coinciding with the massive loss of output and wealth in the last 10 years. With the economy having hit rock-bottom and (hopefully) a resumption of growth, there should be room for improvement in the living standards of the civil service. However, despite potential strong growth, the pay-level – as reported in the World Bank survey – is unlikely to be adequate for a foreseeable future. Furthermore, there is not only widespread belief in the inefficiency of law enforcement agencies in the battle against corruption, one respondent even arguing that these agencies themselves are on the take, but also an increasing tendency across time to report the malfunctioning of these agencies (Table 32).

While this on the one hand suggest that a conscious effort of reorganization with rewards and protection for whistleblowers should be set in motion, the ubiquitousness of corruption (Table 33) offers less hope and suggests that it may indeed be a local lifestyle. Cumatism, i.e. networks of associates (helping each other), is not only suggested as a prime feature but is almost unanimously believed to be a factor of corruption. Thus cumatism, which does not necessarily involve the exchange of money, proposes that

patterns of patron-client relationships and kinship exist beneath the official structures of state, turning politics into a process of non-transparent decisions and allocations.

Table 32. Effective in the battle against corruption?

| | Government | | Presidency | |
|-------------------|------------|---------|------------|---------|
| | N | Percent | N | Percent |
| Yes, more or less | 5 | 11.9 | 1 | 2.7 |
| Yes and no | 1 | 2.4 | 9 | 24.3 |
| Rather not | 16 | 38.1 | 19 | 51.4 |
| No | 20 | 47.6 | 8 | 21.6 |
| Total | 42 | 100.0 | 37 | 100.0 |

Question: In your opinion, are the law-enforcement agencies effective in the battle against corruption?

Table 33. Cumatism is a reason for corruption.

| | Government | | Presidency | |
|------------|------------|---------|------------|---------|
| | N | Percent | N | Percent |
| Yes | 39 | 92.9 | 36 | 97.3 |
| Yes and no | 1 | 2.4 | 0 | 0 |
| No | 1 | 2.4 | 1 | 2.4 |
| No answer | 1 | 2.4 | 0 | 0 |
| Total | 42 | 100.0 | 37 | 100.0 |

Question: From your point of view, does the phenomenon of “cumatism” have any influence on the level of corruption of Moldova? Note: Answers such as ‘sometimes’ and ‘primordial’ are here represented as a yes.

Corruption is evidently a problem in Moldova, and while a resumption of growth would do much to ease the situation, the present state of affairs undermines effective and transparent government (and democracy). However, as pointed out in this analysis, much can be done to strengthen state capacity. First, it is important that the elite in principle express support for a Weberian administration. This is a solid base upon which administrative reorganization can be based to strengthen coordination and information within the government. Second, a resolve based on a solid commitment to democracy, to combat corruption and capture – which in itself undermines democracy – and the weak state have to start with the recognition that both transitory and indigenous, if not cultural, features are important. It seems that what makes the bumblebee fly and solves our puzzle of sustained elite

commitment to democracy is in fact the networks of associated 'commadras'. Although one should be very careful in passing judgment on the culture of others, it is open to discussion whether this may also be what stands in the way of strengthening the state and democracy and restoring strong economic growth. The 'commadras' exploit the state and this leads to a perhaps unrecognized interest in maintaining a weak state that allows for the exchange of benefits between and within networks.

More than anything else, this analysis also shows the limitations of viewing the state alone. States do reach out, which is why we in the following extend the analysis to include the ties with civil society.

The connection to society

We focused earlier on the values of the core executive, describing an optimistic and westward oriented elite and found support for the inclusion of citizens and civil society in the political process. One avenue for political influence naturally goes through political parties that, because they seek office, distinguish themselves from other organizations in society.

Political parties appear to have little influence in Moldova, however. Of the 79 respondents, only 20 report that they were actually members of political parties while in office. This could be attributed to 'the decline of the political parties and the rise of technocrats', in that 11 of the 20 party members come from the Snegur administration. Furthermore, within the government less than 10 percent recall their party as important for government decision-making. While external advice is frequently used both in the government and in particular in the presidential administration, this advice evidently does not come from the political parties, as only one government member and 3 staffers in the presidential administration have relied on or prefer to rely on political parties for information and advice (Tables 34a and 34b).

Academic specialists are those most often sought after, a pattern found in most of the countries surveyed in the DEMSTAR project. We were quite surprised to learn, however, that 24 members of the government and 16 presidential staffers specifically mention NGO specialists as a source of information. Furthermore, more than 80 percent within the government and more than 70 percent within the presidential administration report that they have close working relationships with major interest organizations, either most of the time or concerning important issues (Table 35). Accordingly, in a cross-check with the values of involving citizens and organizations in the political process, almost all either believe that decision are improved most of the time or sometimes by involving concerned interest.

Table 34a. Government relies on information from...

| Government | Academic Specialists | Gov. Pol. Advisors | NGO Specialists | Political Parties | Other |
|--------------------|----------------------|--------------------|-----------------|-------------------|-------|
| Have relied on | 29 | 3 | 24 | 1 | 16 |
| Have not relied on | 13 | 39 | 18 | 41 | 26 |
| Total | 42 | 42 | 42 | 42 | 42 |

Question: If you needed external advice, whom would you prefer to rely on, or have relied on, to get the information you need?

Table 34b. Presidency relies on information from ...

| Presidency | Academic Specialists | Gov. Pol. Advisors | NGO Specialists | Political Parties | Other |
|--------------------|----------------------|--------------------|-----------------|-------------------|-------|
| Have relied on | 30 | 13 | 16 | 3 | 12 |
| Have not relied on | 7 | 24 | 21 | 34 | 25 |
| Total | 37 | 37 | 37 | 37 | 37 |

Question: If you needed external advice, whom would you prefer to rely on, or have relied on, to get the information you need?

Table 35. Close working relationships with interest organizations.

| | Government | | Presidency | |
|---|------------|---------|------------|---------|
| | N | Percent | N | Percent |
| Yes, most of the time | 13 | 31.0 | 11 | 29.7 |
| Yes, but only concerning important issues | 21 | 50.0 | 16 | 43.2 |
| No | 7 | 16.7 | 10 | 27.0 |
| No answer | 1 | 2.4 | 0 | 0 |
| Total | 42 | 100.0 | 37 | 100.0 |

Question: Do the civil servants in your ministry have close working relationships with major interest organizations within the ministry's resort?

These results were to be expected given the principled support, but are still somewhat surprising as civil society was described as flattened in the first section. However, when questioned more directly about the activities of outside actors, less than half have experienced that concerned interests press for new legislation (Table 36). In addition, in most cases of cooptation, it usually takes place in quite an informal manner, depending on the nature of the case (Table 37).

Table 36. Feeling the pressure.

| | Government | | Presidency | |
|---|------------|---------|------------|---------|
| | N | Percent | N | Percent |
| Often | | | 2 | 5.4 |
| Often, but not concerning really important issues | 3 | 7.1 | | |
| Sometimes | 8 | 19.0 | 8 | 21.6 |
| Rarely | 6 | 14.3 | 6 | 16.2 |
| Never | 25 | 59.5 | 21 | 56.8 |
| Total | 42 | 100.0 | 37 | 100.0 |

Question: Have you ever felt under pressure from outside actors (NGOs, non-state organizations, peak level business, etc.) to initiate new legislation?

Table 37. How were they incorporated?

| | Government | | Presidency | |
|--|------------|---------|------------|---------|
| | N | Percent | N | Percent |
| Institutional forum for discussion and cooperation | 9.7 | 25.5 | 6.5 | 19.7 |
| Institutional forums on ad hoc basis | 10.7 | 28.2 | 11.5 | 34.8 |
| Informal forums depending on character of the case | 16.7 | 43.9 | 14 | 42.4 |
| N/A | 1 | 2.6 | 1 | 3.0 |
| Total | 38 | 100 | 33 | 100 |

Question (recoded):In which form is/was the concerned interests incorporated or consulted in the process of the policy formulation?; Note: In case of one response, it was counted as 1, two responses as 1/2, and three responses as 1/3.

On the one hand, the strong support expressed by the respondents is not institutionalized and the mild pressure may indicate a certain degree of weakness on the part of organized interests. On the other hand, however, support for inclusion has increased over time. To reiterate, the executive in Chisinau cannot be said to ignore affected societal interest (nor do they wish to) and the forms of cooperation are in a process of widening and deepening. However, despite good intentions inclusion seems to take place at the discretion of the administration; hence, corporatism in the West European sense has yet to emerge. This is most likely exacerbated by the weakness of civil society rather than recalcitrance on the part of the administration, which appears to be relatively open (at least by intent).

Foreign influence

With a state riddled with corruption showing a development of corporatist ties negatively embedded in the commadra networks, Moldovan dependence

on international assistance may be the factor that encourages the radical reforms discussed in the first section. Furthermore, in particular the dependency on fresh credit and assistance from international financial institutions may be a factor behind the rise of the cross coordinating activities of the ECOFIN ministries discussed in the third section.

Ministers have undoubtedly felt under more pressure from foreign actors than from domestic actors. This is evident when Table 38, depicting the number of respondents who report attempts of foreign influence, is compared to Table 36 reporting the pressure from domestic actors. Moreover, the expectation that international financial institutions are important is confirmed in Table 39, where 22 and 23, respectively, name these institutions as the most and second most important foreign actors.

Table 38. Foreign actors have sought influence.

| | Government | | Presidency | |
|-------|------------|---------|------------|---------|
| | N | Percent | N | Percent |
| Yes | 22 | 52.4 | 13 | 35.1 |
| No | 20 | 47.6 | 24 | 64.9 |
| Total | 42 | 100.0 | 37 | 100.0 |

Question: During your time in government, did foreign actors try to influence policy and regulations in your ministry?

Table 39. The most important foreign actors.

| | Most important | | 2nd most important | | 3rd most important | |
|--------------------------------------|----------------|------|--------------------|------|--------------------|------|
| International financial institutions | 64.7 | (22) | 79.3 | (23) | 16.7 | (3) |
| Russia | 5.9 | (2) | 0 | 0 | 0 | 0 |
| EU | 2.9 | (1) | 0 | 0 | 5.6 | (1) |
| Other | 26.5 | (9) | 20.7 | (6) | 77.8 | (14) |
| Total | 100 | (34) | 100 | (29) | 100 | (18) |

Question: Name the three most important international actors. A total of governmental and presidential surveys. Pct (N). Note groups made by qualitative interpretation.

More often than not foreign influence is also perceived positively. Many respondents comment that the pressure for reform has largely come from the international institutions and a little more than half of the government members believe that in most cases, foreign influence has had a positive effect (Table 40). Many are sceptical, however. One respondent commented

that the experts from international organizations had little knowledge of the realities of a command economy and thus offered inefficient recommendations concerning privatization. Another respondent rebels against dependency, arguing that ‘policy advise’ has turned into ‘dictates’ that turn counter-productive as ‘all of us are tired of dictates’.

He is not alone in his criticism.¹² International aid organizations such as the Swedish SIDA have been very critical concerning the role played by the international financial institutions (Ronnås & Orlova, 2000). In particular, it has been criticized that Moldova was not granted credit on IDA-terms until late in the 1990s even though the economy obviously was in a shambles and had fallen below IDA-level. That this was done intentionally, keeping Moldova in the straitjacket for as long as possible, can only be offered as a (somewhat paranoid?) hypothesis.

Table 40. A positive influence?

| | Government | | Presidency | |
|------------|------------|---------|------------|---------|
| | N | Percent | N | Percent |
| Always | 4 | 9.5 | 2 | 5.4 |
| Most cases | 23 | 54.8 | 15 | 40.5 |
| Rarely | 9 | 21.4 | 10 | 27.0 |
| Never | 2 | 4.8 | 7 | 18.9 |
| No answer | 4 | 9.5 | 3 | 8.1 |
| Total | 42 | 100.0 | 37 | 100.0 |

Question: In general, in those cases when foreign actors did have influence, would you say that their influence on the decisions to be made had a positive effect on the solutions of domestic problems?

However, the straitjacket and possible the delay can have influenced sentiment as a cross-tabulation shows that the representatives from the two latest administrations, i.e. the Braghis and the Tarlev, are relatively more critical than their predecessors.

The limited resources available to the DEMSTAR survey precludes a more intensive investigation of whether foreign influence galvanized or dictated the elite into choosing the very reforms that the international financial institutions praised later on. However, the data do not contradict the hypothesis of a country where the practicalities of government and dependency on the outside world in fact reduced the scope for political decisions.

The Moldovan state is not embedded in the developmentalist sense. It does exhibit trajectories of an emerging west European state type but is

captured by networks of commadras, riddled with corruption and has little room for manoeuvre in the political areas that have caught foreign attention.

5. Conclusion

The political developments in Moldova represent two puzzles. First, since independence three consecutive free elections have been held in which power has changed hands and nowhere in the former Soviet Union, except for the Baltic states, do citizens enjoy a higher degree of economic and political freedom. These achievements, impressive as they are in their own right, must furthermore be seen against the background of a sustained economic crisis, a civil war and the legacy of a flattened civil society – factors that in many other countries would have led to an early breakdown of democracy and rendered a consolidation of democracy unlikely. Second, the state has introduced radical reform measures targeting public pensions, privatization (in particular in agriculture) and sustained the development of an open economy. These reforms were proposed by international institutions and adopted amidst a prolonged constitutional struggle and a shrinking state that had difficulties with implementing the measures and making its presence felt and meaningful to the citizens.

The DEMSTAR survey has contributed not only to clearing up these two puzzles, but also to explaining why the bumblebee flies. First, the state elite to a large extent remains committed to a participatory democracy, encouraging citizens and societal forces to become involved in the policy process. Despite a worrisome trend toward more elitist perceptions, the cooptation of civil society is also found at departmental level, even if the weakness of civil society in itself does introduce constraints and barriers, playing discretion into the hands of the civil service. Furthermore, the prolonged constitutional struggle meant that there is no obvious centre of decision-making within the state. The analysis has, on the one hand, pointed out that the Prime Minister and his office, despite the newly adopted parliamentary system, have lost the battle for influence and, on the other, that there is no obvious concentration of power among the offices and institutions within the system, except for the department level of the ECOFIN ministries. Furthermore, Moldova is riddled with corruption and penetrated by networks of ‘commadras’, the phenomenon of cumatrism. These networks continue to have an interest not only in keeping the state weak, but also in maintaining a balance of power. Thus, the fragmentation actually contributes to explaining the sustained democratic development, as no actor or institution seems powerful enough to dominate the system.

Second, the penetration of the state by – or perhaps rather state dependency on – international financial assistance may explain why drastic reform measures have been adopted. Most ministers have at some point encountered pressure from foreign actors; and among these the international financial institutions are the most important. However, the elite also recognize the benefits associated with a market economy, implying that the international institutions have perhaps not dictated but instead supported and galvanized reforms. The elite also point to the weakness of the state not only in terms of the need to strengthen the role of the state, but also by sketching the immense implementation problems they face. The analysis also shows that it is not solely a question of resources. While sustained economic growth may in itself engender possibilities of reform that can help overcome the problems, a substantial part is a consequence of how the civil service is organized and the administrative and political culture. On a positive endnote, targeted public administration reforms can make for a more efficient and effective civil service at any level of development.

The analysis presented has also demonstrated some of the limitations of the DEMSTAR survey. First, the increasingly globalized economy not only places constraints on small dependent states. It also gives rise to the problem of international actors' ability to override domestic (and democratic?) processes. Thus, the analysis of foreign influence should be intensified, in particular with respect to how foreign actors have sought influence. Second, the analysis of the public administration and the implementation problems should be augmented using not only institutional analysis but also policy analysis linking administrative capacity to politics within the framework of political economy. Third, the values, loyalties, structures and the political and economic consequences of clientelism have not been sufficiently researched. A sociological investigation based on theories of clientelism and network theory would be appropriate.

The State of the State in Moldova survey can point to some commonalities with and differences from other countries, but the case itself, representing uniqueness in the form of the two puzzles, also shows that a comparative research agenda sometimes calls for further analysis of ideographic factors.

Notes

1. A draft version of this report was discussed at an informal conference at the CIVIS centre, Chisinau, May 23, 2003.
2. See IMF (1992), *Economic Review. Moldova*, Washington D.C., for the advantageous Interrepublican Trade Balance.
3. Institute of Public Policy (2002), *April-Barometer of Public Opinion*, Chisinau: www.ipp.md.
4. I am indebted to Jørgen Møller for this observation and formulation.
5. According to the 2003 *Index of Economic Freedom* (<http://www.heritage.org/research/features/index/>), Moldova remains a more open economy than EU applicant states like Bulgaria, Turkey and Romania.
6. See, for example, Nunberg, 2000.
7. Until his election as president, Snegur was technically Chairman of the Parliament. The Chairman of the parliament was, in many countries, the de facto president until new constitutions were adopted (Johannsen, 2000).
8. Ilonsky, Gabriella & Lars Johannsen with Kinga Kas (2002), 'State of the State: Hungary', *DEMSTAR Research Report* No. 11, Department of Political Science, University of Aarhus.
9. We did not ask questions related to the third leg of the ECOFIN structures – the Central Bank.
10. <http://www1.worldbank.org/publicsector/civilservice/countries/moldova/index.htm#>
11. Johannsen, Lars (2002), 'The Responsive State', *Baltic Defence Review*, Vol. 2, No. 8, pp. 9-20.
12. We must also consider if the tracked positive effect is due to the fact that this survey was sponsored by 'western institutions', i.e. the Research Foundation of the University of Aarhus and the Danish Government's Social Science Research Council.

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