

“Prospects for Unfreezing Moldova’s Frozen Conflict in Transnistria”

Briefing paper submitted for Helsinki Commission Hearing, June 14, 2011

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Moldova is a small country, with fewer than 4 million citizens, but in recent years it has gained symbolic significance on the world stage far out of proportion to its size. As US-Russia relations have been “reset” and cooperation has likewise grown between Brussels and Moscow on a range of issues, Moldova has been one of the main beneficiaries of the improved atmosphere.

European Union officials now routinely refer to Moldova’s “encouraging progress” on reform projects, often as a favorable comparison to other post-Soviet states.² In March 2011, Vice President Joe Biden, the highest ranking US government official ever to have visited Moldova, spoke to a cheering crowd of tens of thousands in Chisinau’s main square. He described the country’s “journey toward democracy” as sending a message to millions beyond Moldova’s borders, and described Moldovans’ achievements in glowing terms.³

But, as Biden acknowledged, it is too early to declare a successful conclusion to Moldova’s delicate and still evolving post-Soviet drama, of which several essential chapters are still unwritten. Alongside the ongoing evolution of Moldova’s domestic institutions and system of government, the most significant clear challenge ahead is resolution of the protracted conflict with Transnistria. The purpose of this paper is to evaluate the causes, context, and consequences of this conflict and to propose some productive next steps for each of the stakeholders to the current conflict resolution process, and for the international community as a whole.

What is the Transnistria conflict about?

Much of the Western discourse on Moldova in the past two years has praised the country’s largely non-violent political transition in 2009, when the Alliance for European Integration (AEI), a coalition of four parties, displaced the Communists who had held power since 2001. The new leadership refers to the 2009 transition as Moldova’s “European choice,” which has been underscored by growing percentages in favor of the AEI and its explicitly pro-Europe agenda in two subsequent national elections.⁴ Officials are particularly proud of their relatively rapid progress in negotiations aimed at reaching an association agreement with the EU, billed in Moldova as a key step toward eventual EU membership.

But amidst the enthusiasm surrounding Moldova’s deepening ties with Europe, it is impossible to ignore the most significant potential obstacle to the country’s future prosperity and successful European integration: the conflict over Transnistria, a 400 km long, narrow strip of land on the “left bank” of the River Dniester/Nistru between Moldova and Ukraine. Though internationally recognized as part of Moldova, Transnistria declared its independence from Chisinau during the

breakup of the Soviet Union. Popular sentiment for independence was driven by fears on the part of the region's residents that Russian-speakers would lose positions of economic privilege and perhaps even basic language rights within an independent Moldova, or that the country might be united with Romania. The brief war that ensued in 1992 ended with a ceasefire mediated by Russia and enforced by Russian military forces. Russian troops remain in Transnistria as part of a trilateral peace-keeping operation under the terms of the July 21, 1992 Moscow Agreement, and to guard the remnants of a massive Soviet-era arsenal at Kobasna.⁵

Since 1997, the OSCE has managed a conflict resolution process which now engages 7 parties in the "5+2" format: Moldova and Transnistria, with Russia, Ukraine, and the OSCE as intermediaries, and the US and the EU as observers. The OSCE-brokered talks have helped to defuse occasional crises and to keep the sides in dialogue, but no framework agreement has yet been accepted by all sides. The closest they came was in 2003, when the Russian-brokered "Kozak plan" was rejected at the last minute by Chisinau. The parties have met both officially and unofficially at various times, with the talks currently in an unofficial phase which may change to official following a June 21 meeting of the parties in Moscow.

In the intervening time, OSCE inspectors have had some access to the former Soviet weapons stockpiles at Kobasna, however Transnistria authorities have not permitted the type of unfettered access or verified removal necessary to ensure that none of the stored weapons or materials are leaving the territory and ending up in criminal hands. Indeed, due to poorly regulated borders, it is widely believed that Transnistria is a major node in European and global arms, drugs, and human trafficking networks. And, although the conflict has been "cold" since 1992, there is still a real risk of resumption of hostilities between two heavily-armed military forces if negative changes in the political environment were to occur. This would undoubtedly draw intervention from Russia and perhaps Romania, Ukraine and other states in the region.

History and Culture

To some degree, the reasons for the outbreak of armed conflict in 1992 still underlie tensions between right-bank Moldova and the de facto Transnistrian Moldovan Republic on the left bank. Although Transnistria is ethnically diverse, with a roughly even mix of ethnic Moldovans, Russians, and Ukrainians, the dominant official language and the language of everyday life on the left bank is Russian. However, on both sides of the river, there are schools in which both Russian and Moldovan are used, and each language group fears discrimination by authorities in Chisinau and Tiraspol—these fears have been justified by occasional provocative school closures and curriculum changes, for example in Transnistria in 2004.⁶

Anecdotal evidence indicates that Russian speakers in Transnistria still generally think of Romania as the villain and Russia as the hero in a historical narrative dating back to World War II, when Bucharest was allied with Nazi Germany. Russian speakers therefore associate modern Romanian nationalism with revanchist fascism, a narrative heavily informed by the persistence

of a World War II memory shaped by Soviet ideologists throughout the Slavic core of the post-Soviet space, and in overt conflict with a neo-nationalist historical narrative among many of the post-Soviet and post-Communist states in Eastern Europe, including Romania. Deep fears about possible Moldovan-Romanian union in the early 1990's drove Transnistria's secession movement, and they continue to cause hostility on the left bank and in Moscow toward Moldova's warm relations with Romania.⁷

Finally, there is a generational crisis brewing, since Moldovan and Transnistrian youth who have grown up since 1992 have no memory of living together with their neighbors in a single state. The persistence of low level conflict and provocation, even though there has been no overt fighting, have become a "normal" state of being for young people on both sides, who can no longer easily imagine a future in which the two live together. Some Western-funded programs like the youth-oriented "Transnistrian Dialogues"⁸ have helped bridge this psychological divide, but the longer the sides live in physical separation the less urgency each feels to change the situation.⁹

Geopolitics

Consistent with an approach to conflict resolution that has included far flung parties such as Russia and the United States, broad geopolitical factors are often perceived as the main obstacles in the conflict. While these factors are important, they should be understood as one of several layers of obstacles, the removal of which is necessary but not sufficient for conflict resolution. A case in point is the ongoing dispute over "host nation consent" to basing of military forces in the area. Russia has expressed an interest in maintaining its current force of some 1,500 troops (around 400 of which serve as peacekeepers)¹⁰ in the region, but questions whether it could do so in a reunited Moldova. Moscow's interest in keeping a military presence in Transnistria has a number of possible explanations, but is most likely largely symbolic. The contingent on the left bank gives Russia a "foothold" in this part of Europe, an image of strategic depth against possible threats from the West, and perhaps also some psychological leverage in relations with Ukraine, which is partially encircled by Russian military outposts.

Moldova, on the other hand, has gravitated increasingly toward the West and away from Moscow since the 2009 transition—not only through promising negotiations aimed at an association agreement with the European Union, but on security and political questions as well. Although neutrality is enshrined in the Moldovan constitution, influential figures on both sides have hinted that military cooperation with NATO and even outright NATO membership is on the AEI's agenda.¹¹ That prospect is of deep concern to the Moldovan Communists, who still have nearly half the votes in Parliament, and it would undoubtedly be perceived as a provocation by Russia, which would be more reluctant to support Moldova's reunification.

Powerful Private Interests

When analyzing the causes of protracted conflict, it is often revealing to ask, “who benefits?” In the case of Transnistria, the biggest beneficiaries are arguably not states but powerful private interests, many of whom exert influence over state policies. There is much to covet in the region as it was, during Soviet times, a privileged economic zone within the Moldovan SSR, containing at least 40% of Moldova’s industrial capacity, and the only large power plant in the region.¹²

The major Soviet-era industrial assets in Transnistria are the MMZ steel plant and Rybnitsa Cement plant in the north, and the Cuciurgan power plant in the south. All of these are at least partially controlled by Russian and Ukrainian oligarchs, who profited from Tiraspol’s privatization of these assets during the last decade. These powerful individuals gained not only from the sale of assets legally belonging to all Moldovans, but continue to benefit from an arrangement whereby Russia’s Gazprom “sells” gas to enterprises in Transnistria, which pay reduced fees for the gas to Tiraspol, which in turn simply allocates that money to the “state” budget. The resulting Gazprom debt, now worth over \$2 billion, is sent to Chisinau, consistent with Russia’s official position that Transnistria is part of Moldova. Simply put, the unresolved status of Transnistria allows oligarchs to profit from industrial assets that belong to average Moldovans and gas that belongs to the Russian people.¹³

In addition, powerful Transnistrian businessmen, all closely linked to the ruling circle of President Igor Smirnov, profit from the favored status of the “Sheriff” holding company, which dominates all aspects of the local economy, from food and liquor retailing to book publishing. Sheriff receives protection from the Transnistrian customs authorities, who also facilitate smuggling and counterfeiting for the benefit of Russian and Ukrainian businesses moving goods in and out of the region through the Black Sea. For instance, goods marked for Transnistria can enter Ukraine free of customs duties, but, with cooperation from the Transnistrian authorities, they often end up in Ukrainian markets. Although the de facto authorities control a handful of local banks, international transactions with the region are enabled primarily by Russian banks, which use their own access to western financial markets to help conceal the ownership of companies concerned.

The De Facto Authorities

One simple explanation for the persistence of tension and low level conflict between Moldova and Transnistria is that the de facto authorities in Tiraspol are not interested in giving up their hold on power. If they negotiate a reintegration agreement, they might keep some influence in a unified Moldova, but would not have absolute power as they do now. The Transnistrian Moldovan Republic is basically a Soviet style government, with a Presidency, a nominal Supreme Soviet, and courts that are all loyal to the handful of allies of President Smirnov. These Soviet style nomenklatura travel in luxury cars distinguished by special 1 or 2 digit license plate numbers with a large Transnistrian coat of arms. The authorities keep tight control over any political dissent, and find it easiest to simply deport any troublesome figures to Moldova, as they did with Moldovan nationalist Ilie Ilascu and his supporters following a long prison term.¹⁴

The Soviet style system of government, the inherited Soviet industrial base, and subsidies (in effect) from Russia enable the de facto authorities to maintain a high level of economic stability, and a standard of living that while low, is slightly higher than in neighboring Moldova.¹⁵ In practice, these benefits come at the cost of complete dependence on Moscow, especially since Transnistria's independence is not even nominally recognized by Russia. However, as one walk past Suvorov Square and the Presidential Administration will reveal, the local authorities have converted this dependence into a source of pride with larger than life posters of Smirnov, Putin and Medvedev, and the slogan: "Our strength is our unity with Russia!"

Individuals' Pragmatic Interests

Thanks to subsidies from Russia and the "offshore" gray market opportunities of the Transnistrian economy described above, the region manages to eke out a standard of living slightly better than that of neighboring Moldova. However, individual citizens still seek the kind of greater economic opportunity that neither Moldovan nor Transnistrian citizenship offers, and so some 100-140 thousand have accepted Russian citizenship, a process facilitated by consular offices located in the breakaway territory, and consular officials who make a special effort to support local Russian affinity groups.¹⁶ It is believed that there are up to 100 thousand Ukrainian and 250 thousand Moldovan passport holders in the region as well, however many people have more than one document, since this enables them to travel to both East and West.

Russia's extension of citizenship to residents of Transnistria on such a large scale carries an ominous connotation in light of Moscow's past declarations that it has the right and duty to protect the interests of its citizens abroad, by force if necessary.¹⁷ Moreover, Russian citizens may receive supplemental pension benefits, and enjoy the possibility of studying, working or ultimately settling in Russia itself. By contrast, Moldovan citizenship is viewed as far less useful, since the country is economically depressed, and up to a third of the adult population of Moldova is working abroad, primarily in Russia and Western Europe. The unique benefits of Russian citizenship would likely be lost to residents of Transnistria if it rejoined Moldova.

International Context

Nearly twenty years after the end of fighting, and almost ten years since the parties' last concerted effort at resolution of the conflict, Transnistria has come into renewed focus thanks to factors outside the immediate region. First, the Arab Spring has captured popular imaginations worldwide, and on both sides of the Dniester this air of change has provoked tough questions about the status quo. If political systems that once seemed deeply entrenched can be toppled in the Middle East and North Africa, many wonder, why not in the heart of Europe as well? Following so soon after Moldova's own popular transition, the revolutions in Egypt and Tunisia could underscore challenges to the legitimacy of the Smirnov regime, which has held power in Transnistria since 1992.

From the perspective of Transnistrian separatists, recent history offers a different set of precedents, namely the recognition by Moscow of Georgia's breakaway provinces of South Ossetia and Abkhazia and by the West of newly independent Kosovo and South Sudan. These precedents provoke the obvious comparisons, and the question, why not us? Those Transnistrians who would prefer union with Russia or formal recognition as a Russian protectorate draw inspiration from the apparent restoration of Russian influence in the post-Soviet space, including the victory over Georgia in 2008, the extension of Russia's military presence in Crimea through 2042, and the entry into force of the Russia-Kazakhstan-Belarus customs union.

The fast-moving events in North Africa and the Middle East have also been a distraction for the key outside participants in the 5+2 process, particularly as European policymakers and publics have shifted attention and resources from the EU's "eastern neighborhood" to its "southern neighborhood." Meanwhile there is far less attention for seemingly faraway problems like the Transnistria conflict, since Europe is still struggling to save its own debt-ridden member states from default and thus preserve confidence in the Euro, while the United States faces a budget crisis of its own against the backdrop of an impending Presidential election. Finally, perhaps in response to these financial woes, varied strains of populist nationalism have been on the rise throughout the West. In Moldova's immediate neighborhood, chauvinistic statements by political leaders, particularly in Romania, have worsened the climate for compromise necessary to finally resolve the separatist conflict.

Why pursue conflict resolution now?

Despite the deep-rooted historical, geopolitical, economic and other drivers of conflict in Transnistria, there is some evidence that a window of opportunity is now opening for conflict resolution. While it is no guarantee that the conflict will remain cold, the fact that fighting has not resumed and no one has been killed on either side of the Dniester since 1992 is encouraging. At a time when violence in Nagorno-Karabakh claims dozens of lives a year, and with memories of the 2008 war over South Ossetia and Abkhazia still fresh, the relative calm around Transnistria appears to offer the best environment for productive engagement among conflicting parties in the post-Soviet space.

Although the relative calm, stability and quiet for nearly two decades are reasons why the Transnistrian conflict could be solvable, these very factors reflect a growing risk which itself calls for urgent action. With each passing year, the demographic scales tip more toward the new generation of Moldovans and Transnistrians who have grown up entirely after the end of the Soviet Union and the de facto separation of Moldova. That is not to say that they are immune to the trauma of the original conflict. Indeed, some of these young people have childhood memories of the violence in 1992, and nearly all know friends and relatives who suffered personally. Yet none of them has any personal experience living as part of a united society with their neighbors on the other side of the river, and therefore little intuition for how such a future

might look. The danger is simply that with passing years, most people in the region will no longer feel a strong motivation—or possess the vision needed—to change the status quo.

At this moment, however, the populations on both sides of the Dniester and all stakeholders to the conflict resolution process still have the capability of resolving the conflict if they choose to do so. Thus, the key question is one of political will. Fortunately, there are a number of recent positive signals from all sides.

Russia has long been the de facto guarantor of Transnistria's autonomy, through the presence of Russian troops, direct humanitarian aid, and economic engagement. However, Russia has consistently expressed a desire to resolve the conflict without a formal declaration of independence by Transnistria, which is a red line for Moldova. After the failure of Russia's 2003 peace initiative (the Kozak plan) the Russian leadership pursued these two seemingly contradictory policies in parallel.

Last summer, following a Russian-German summit at Meseberg Castle in Germany and a subsequent meeting in Yekaterinburg, Russian President Dmitry Medvedev and German Chancellor Angela Merkel issued statements suggesting Russia would be prepared to support resolution of the longstanding Transnistria conflict in the context of a high-level Russia-Europe security dialogue. The joint declaration following the October 2010 Deauville summit of France, Germany, and Russia also singled out Transnistria as a main focus of potential EU-Russia-US security cooperation. Some commentators even described resolving the conflict as a “test case” for a new Euro-Atlantic security partnership.¹⁸ Most recently, Russia has offered to host a meeting of the 5+2 parties in Moscow on June 21, 2011, and conducted separate discussions with Ukraine and Transnistria officials, the aim of which seems to be to find ways to resume the “official” negotiations in the 5+2 format, stalled since 2006.

Ukrainian President Viktor Yanukovich issued a statement following his own meeting with Medvedev in Kyiv in May 2010 identifying Transnistria conflict resolution as a top shared priority for the region's two large eastern neighbors.¹⁹ In a February 2011 speech at the Carnegie Endowment in Washington, Foreign Minister Kostyantyn Gryshchenko underlined this point, warning that this frozen conflict could heat up once more without urgent action from all sides.²⁰ Thus far, Ukraine's commitment has amounted mostly to rhetoric. However, as the largest state in the region, a major trading partner of Moldova, and sharing a 400 kilometer border with Transnistria, Ukraine is in a position to apply meaningful pressure to both sides to move toward a resolution to the conflict.

Romania's role in the conflict is complex and sometimes inconsistent. Despite the country's ethnic, cultural and historic links to Moldova, it does not participate directly in the 5+2 process, but is instead represented through the EU observer delegation (which, understandably, has never included Romanians in top positions). However, Romanian influence on the conflict is inescapable, and is often cited by stakeholders and analysts as a decisive factor.

On the positive side, Bucharest has formally elevated Transnistrian conflict resolution to a top national security priority, and describes itself as a staunch supporter of European diplomacy and of Moldova's European integration prospects.²¹ Less helpfully, Romania's historic close ties with Moldova are often treated as fodder for the political campaigns of pan-Romanian nationalists, especially when courting votes from the tens of thousands of Moldovans who carry Romanian passports. Yet suggestions that Romania and Moldova are more than close neighbors, or interpreting Moldova's EU integration as a pathway to reunification with Romania, simply stoke the darkest suspicions of Transnistrians and their Russian allies that Transnistrian conflict resolution is a mere fig leaf for Romanian nationalism.²²

On the Moldovan side, the major political development of the past two years is, of course, the rise of the Alliance for European Integration (AEI). Following improved results in two national elections in 2009 and 2010, the AEI now leads a coalition government with an absolute majority in the parliament of 59 seats, to the Communists' 42 seats, a sufficient margin of control to pass legislation but not to elect a president (that would require a supermajority of 61 votes).²³ Under AEI leadership, Moldova has made European integration its top priority, and emphasizes its commitment to implement the reforms necessary to conclude an association agreement, including enhanced trade and visa-free travel. The AEI links its position on European integration to Transnistria conflict resolution by arguing that a clear European perspective will help make right-bank Moldova more attractive to the separatists.

The new Moldovan government has not abandoned any of Moldova's past insistence on preservation of sovereignty and territorial integrity, but it is clearly prepared to make possible some of the conditions that would be necessary for conflict resolution, including a special autonomous status for the Transnistria region, preservation of left-bank residents' property rights and social welfare benefits, and other political and constitutional guarantees. On the other hand, there is a risk that if more than two years of openness to reconciliation by Chisinau does not soon result in the commencement of formal 5+2 negotiations and agreement on a reunification process, the goal of conflict resolution will fall by the wayside. In this respect, the EU has a critical role to play, both in pushing forward the conflict resolution process, and ensuring that right-bank Moldova's progress in association talks does not leave the left bank behind.

In Transnistria itself, conditions have evolved only glacially since 1992. However, there have been some positive signs, and significant political change could occur in the near future. In May, Tiraspol released Moldovan journalist Ernest Vardanean, who had been imprisoned for espionage, a conviction challenged by Westerners as false and politically motivated.²⁴ The leadership has also indicated a willingness to resume formal negotiations following meetings with OSCE and Russian officials, although subsequent statements from Tiraspol often backtrack and suggest negotiations would depend on obviously unacceptable preconditions such as recognition of Transnistrian independence. The current leader, Igor Smirnov, is approaching 70,

and despite Russian urging has not successfully anointed a successor who could take his place in the presidential election scheduled for December 2011.

While no new leader is likely to fully abandon Transnistria's ambitions of independence, pressure from Russia and Ukraine could create an opening for an agreement in the context of a security dialogue with Europe and the United States that served all sides' broader interests. In this respect, Russia holds most of the crucial cards, as illustrated by Transnistrian furor in late 2010 over the threatened suspension of Russian aid payments, which, together with Russian gas, are the lifeline for the Tiraspol authorities' budget. As long as Russia remains prepared to accept relations with Transnistria that run through Chisinau rather than Tiraspol, it should be possible to adjust the composition of, and incentives for, the Transnistrian leadership to facilitate productive talks. After all, greater prosperity for the region through enhanced ties with Europe will undoubtedly benefit people and businesses on both sides of the river.

What can be done by the international community?

Well-intended official statements on the Transnistrian conflict usually involve repetition of the mantra that the OSCE 5+2 process is the essential format for conflict resolution, and that it should be supported and strengthened by all parties. This statement is of course true: the 5+2 process engages each of the critical stakeholders to the conflict and without it there is little hope of conflict resolution. However, by itself this reasoning offers little in the way of content that can shape negotiations and move the parties toward eventual resolution of the conflict. To that end, let us consider what the international community and each of the relevant stakeholders could contribute to improving the atmosphere while building a foundation for conflict resolution.

As has been discussed previously, the Transnistrian conflict cannot be understood independently from the broader context of relations among states in the Euro-Atlantic region, since it is a consequence of past and present tensions in these relations. Thus, an essential first step in the conflict resolution process is to recognize the existence of a Euro-Atlantic security space, in which states and other actors are subject to one another's decisions and actions—in other words, to recognize that security is unavoidably a mutual good in the greater world region of which Transnistria is a part. With that understanding, it is possible to acknowledge the legitimate security concerns of each of the states in the region, including the parties to the Transnistria conflict. By recognizing, for instance, Russia's legitimate security interests in the former Soviet space, and in the region around Moldova in particular, we can help to create an atmosphere of trust and transparency in which Russia is likely to be more prepared to engage seriously in the conflict resolution process.

It would undoubtedly further improve the atmosphere for conflict resolution to go one step beyond recognizing the existence of a Euro-Atlantic security space, by seeking states' acknowledgement and active support of an inclusive security community in this region. Far short of calling for a new organization or alliance, recognition of a security community is simply

the effort to manage issues of shared security concern within the Euro-Atlantic space that do not easily fit into the exclusive ambit of individual states or supranational groups.

The agenda for such a security community would entail, first, defining the traditional and novel threats to the security of states in the community, whether internally or externally generated. Second, states would identify compatible—though not necessarily shared—values on which to base cooperation in responding to those threats. Finally, states should cooperate through appropriate channels to manage tension and conflict, such as by establishing an effective community-wide energy security dialogue, or by defining acceptable standards for states pursuing association with supra-national groupings like the EU, the CSTO, or NATO, that do not fundamentally threaten other states' security interests.

One obvious platform to enable community-wide approaches to conflict management and resolution is the OSCE, in which all 56 states in the Euro-Atlantic region participate, from Vancouver to Vladivostok. Under the framework of the OSCE's "second dimension," participating states have identified economic development as a common security interest, yet this dimension has been only minimally exploited by participating states in the context of addressing protracted conflicts like Transnistria. In light of the importance of asset ownership and revenue flows to stakeholders in the Transnistria conflict, it could be helpful to engage the OSCE's second dimension authority to create a neutral, international resource center on economic development and conflict resolution. Such a center could conduct audits of asset ownership and monitor trade and financial flows related to conflict regions, and make the resulting data publicly available on the internet, helping at least to clarify what and whose interests are at stake in a given conflict and thus enabling solutions which take those interests into account.

A second novel contribution by the OSCE could be to help address the linked issues of protracted conflicts and historic reconciliation, which fit comfortably within the purview of the OSCE's "first dimension," on politico-military security. As described above, new generations of Moldovans and Transnistrians may lack personal memories of the 1992 conflict, but their perceptions of one another and of the states and societies around them derive from deeply rooted cultural and historical narratives. Even if the modern geopolitical and economic dimensions of the Transnistrian conflict could be solved, there would still be the potential for conflict between people on opposite sides of the Dniester, as long as they perceive one another as heirs to a tradition of conflict between rival empires going back a century or more, and punctuated by wars, ethnic cleansing and occupation.

Rather than seeking merely to move on and forget about these traumas, it will be far more conducive to enduring conflict resolution for the parties to engage in bilateral or multilateral reconciliation, perhaps on the model of the recent Russian-Polish Group for Difficult Matters. The OSCE could facilitate such efforts by establishing an electronic archive of documents on historic conflicts and related issues, open to contributions from all parties, and with a standing group of international experts available at the request of states to advise on reconciliation

methodologies. In order for parties like those in Transnistria to overcome the deep historical dimensions of their conflict, they must achieve not only truth, but satisfying mutual understanding, and some measure of real justice where it is not too late to be done. On that basis, the parties can agree to move forward on a new agenda that will define their shared future.

What can be done by the 5+2 parties?

At this point, Russia holds a great many of the critical cards in Transnistria. Moscow has significant influence on the authorities in Tiraspol, through aid payments, energy supplies, and the presence of Russian troops. The Russian government maintains an official policy in favor of Moldovan reunification with respect for Transnistrian rights, and has been prepared to sponsor conflict resolution in the 5+2 framework. Now it is time for Russia to overcome its internal obstacles to conflict resolution by reconciling the interests of the state, which are largely productive, with those of powerful individuals who benefit financially from the continuation of the status quo. For Russia, this is fundamentally a choice between a model of development based on growing the pie and ensuring free and fair competition versus a future defined exclusively by those who hold power today. It is therefore not unlike the choice Russians face about their own future development, and may depend greatly on the outcome of Russia's 2012 presidential transition.

In the meantime, Russia and Ukraine can play a helpful role by continuing to press Transnistria to participate in dialogue in the 5+2 format, so that the parties can maintain channels for resolving minor technical issues and developing confidence building measures. It is also important for both Moscow and Kyiv to maintain accurate records on residents of Transnistria who have acquired Russian or Ukrainian citizenship, and to refrain from further undermining Moldovan sovereignty in the region by granting passports to new applicants who intend to remain in Transnistria. Lastly, both states should use their considerable trade and economic relations with both Moldova and Transnistria as leverage to oppose provocations and promote dialogue, and to support economic development that will benefit the region as a whole.

The EU, although formally an observer to the 5+2 process, is potentially the party most able to transform the situation by dramatically enhancing the appeal of Moldovan citizenship for residents on both sides of the Dniester. Association with the EU, including free trade and travel, would be an enormous carrot for Moldovans, but must be leveraged to promote both the appropriate domestic reforms and to require engagement of Transnistrians in the process, so that the left bank is not left behind. The worst case scenario might actually be if Moldova achieves its European integration goals without making real progress in the conflict resolution process, as this would sap Chisinau of important incentives to make necessary but difficult compromises.

The EU must also carefully balance between its collective position on the conflict and its relations with Russia. Romania, which has a more direct interest in the conflict than any other EU state, must be encouraged to police its own rhetoric to ensure that it does not undermine the

credibility of the EU as a whole. At the same time, it is appropriate and understandable for Brussels to resist Russian efforts to exploit differences of opinion and approach among EU member states. The EU can neither ignore Russia's interests in the region nor strike a deal with Moscow that neglects the interests of Chisinau or Bucharest.

Above all, the EU has unique comparative advantages which enable it to foster institutional reform, capacity building and civil society engagement on both sides of the Dniester. To Moldova, the EU should offer a clear path to European association under the rubric of its "more for more" policy, including clear and neutral metrics for success, together with tough love, demanding real action and hard evidence of reform, not just promises. For both Moldova and Transnistria, the EU should expand its current investment in civil society programs, including both those intended to strengthen civil society groups and those promoting relationship- and trust-building dialogue among the parties. Finally, the EU can contribute personnel with skills and expertise to help and train local officials, as it has done already for the EUBAM border-monitoring program, but which might be expanded to include justice sector capacity building and efforts to combat corruption in state contracting.

The United States is also an observer to the 5+2 process with the potential to make a more significant contribution to conflict resolution. First and foremost, the US should take steps to help improve the appeal of Moldovan citizenship, by finally repealing Jackson-Vanik for Moldova, signing a bilateral trade and investment agreement with Chisinau, and making Moldova a candidate for the visa waiver program. Together with even modest investments in educational and cultural exchanges with Moldova, these steps would build on the positive image the US already has there while making a concrete contribution to Moldova's growth and integration with the global economy.

US engagement should not leave Transnistria behind, either. Even though Washington does not and should not recognize the authorities in Tiraspol, US investments in the region's small and medium sized enterprises could help support growth, enhance ordinary Transnistrians' ties with the West, and foster more transparent business practices in the region. Like the EU, the US should be prepared to lend experienced personnel to assist with border management and law enforcement, especially in the acute struggle against human trafficking from and through this region. In its democracy promotion activities throughout the post-Soviet space, the US should not neglect Transnistria, where enhanced citizen participation in local government would actually facilitate reintegration with Moldova, which has markedly improved its own democratic practices in recent years.

Last but hardly least, Moldovans and Transnistrians themselves must be prepared not only to demand help from outside powers, but to commit to policies and rhetoric that improve the atmosphere for conflict resolution rather than undermining it. Above all, this means that both sides must stop delivering contradictory messages to outsiders and to their own populations. It is incumbent upon Moldova's leadership to prepare Moldovan citizens for a future in which

Transnistria enjoys unique rights and privileges within a mutually agreed power-sharing arrangement. Moldovans cannot unilaterally write laws dictating the terms of Transnistria's reintegration and demand that these constitute the framework for negotiations within the 5+2 process.

The reality is that Transnistria has a special status, and Moldova is in no position to impose terms on the left bank. But at the same time, the Transnistria authorities cannot expect any serious concessions from Moldova if they insist on recognition of their formal independence and equal status with Moldova as a precondition for negotiations. Both parties' international partners should remind them that the cost of pursuing unrealistic, maximalist positions and failing to lay the foundation for compromise in their domestic political discourse is likely to be reduced potential for populations on both sides to achieve their long term goals.

Conclusion

Although the causes of the Transnistria conflict are complex, and linked to broader international issues that cannot easily be resolved in the short term, there is good reason to believe that we now face a new window of opportunity to bring conflict resolution back into focus for each of the relevant parties and the international community as a whole. Russia and Ukraine have expressed a renewed serious interest in solving the conflict, while Europe and the United States have the ability to help Moldova grow and develop in ways that will make it a more appealing partner for Transnistrians. Recent but sustained political change in Moldova and the possibility of an imminent change of leadership in Transnistria could also combine to enable a renewed drive to resolve the conflict within the OSCE 5+2 framework.

Moldova is certainly a positive example in a region with more than its share of hard cases. The new government has made a concerted effort to deepen ties with Europe, while maintaining historically close and cordial relations with Moscow. Moreover, Moldovans are still among the most moderate and flexible people in the region in their attitudes toward the complex interplay among language, religion, and nationality. Moldovans living on both banks of the Dniester river deserve a chance to put these values into practice in a reunited society and state which will open new opportunities, end painful separation, and deliver far greater prosperity for the region as a whole.

¹ The author would like to express his sincere appreciation to Victor Dragutan for help editing and fact-checking this paper. This paper is based in part on remarks delivered on June 1, 2011 at the Finnish Institute of International Affairs.

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