European Research Studies Journal
Volume XXVI, Issue 2, 2023

pp. 694-714

Taking Stock: A Socio-Economic Assessment of Moldova's Europeanisation in Light of Its EU Membership Prospects

Submitted 15/03/24, 1st revision 12/04/24, 2nd revision 22/05/24, accepted 30/06/23

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Abstract:

Purpose: *Moldova is a country with strong aspirations to join the European Union (EU), however, as a transition state it still has socio-economic structures resistant to the types of reforms needed to become an EU member. The goal of this article is to explore the Republic of Moldova's EU membership prospects. The purpose is to highlight Moldova's current progress towards EU accession criteria and the challenges and domestic roadblocks that stand in the way.*
Design/Methodology/Approach: *The article develops a novel socio-economic approach and adopts the concept of 'europeanisation' to understand Moldova's evolving alignment with the EU. A qualitative approach is pursued which relies on content analysis of key documents, economic data, civil society reports, and interviews with EU and Moldovan officials carried out in 2022 and 2023.*
Findings: *Findings reveal a positive reform dynamic and strong political will, but at the same time critical shortcomings and weaknesses. By 'digging deep' into the domestic context of Moldova's EU membership aspirations the article identifies three socio-economic structural features resulting from its characteristics as a transition state; a weak social contract, an economy shaped by legacies of the past and political polarisation, all of which have significant consequences for the country's EU accession.*
Practical Implications: *The practical implications of the findings suggest that plans to realise Moldova's EU accession in 2030 are optimistic and the desire for a quick accession process to meet urgent geopolitical imperatives could mean that serious socio-economic structural problems are ignored. Findings also suggest that the EU needs to redouble its efforts to help Moldovans re-build their social contract, tackle the informal economy, and emphasise de-oligarchisation to enhance the country's socio-economic resilience.*
Originality/Value: *The value of the article comes from its timeliness and novel socio-economic approach, as such, the article contributes to filling the current research gap.*

Keywords: *European Union, Moldova, informal economy, EU enlargement, europeanisation, remittances.*

JEL Classification: *P20, P30, F02, F50.*
Paper type: *Research article.*

Funding: *This article is based on findings from a National Science Centre of Poland (NCN) grant 'Domestic Barriers to the Pro-European Transformation of Moldova' No. 2016/23/B/1155/03635.*

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1. Introduction

On December 14, 2023, less than two years after applying for membership on March 3, 2022, the Republic of Moldova became an official EU accession state. Though this does not signal a definitive commitment to realise full EU membership, it does represent a significant level of commitment and shows that EU member states endorse Moldova's european aspirations. Prompted by Russia's all-out invasion of Ukraine on February 24, 2022, Moldova's stridently pro-European president, Maia Sandu, wrote that by declaring an intention to join the EU, Moldova was choosing 'democracy over authoritarianism, freedom over captivity, and prosperity over suffering' (Sandu, 2023).

Moldova's relations with the EU began in the 1990s after the implosion of the Soviet Union. In 1998 a bilateral Partnership and Cooperation Agreement (PCA) came into force, and though consecutive Moldovan leaders promoted the notion of European integration as a foreign policy priority, it remained a rhetorical tool, and in reality, the country maintained a bi-vectoral foreign policy and continued to covet its relations with Russia and its neighbours from the Commonwealth of Independent States (CIS).

It was not until the eve of the 2004 EU enlargement that Moldova vividly appeared on the EU's radar, which was solidified first as a member of the European Neighbourhood Policy (ENP) and then after 2009 in the context of the Eastern Partnership (EaP), which provided a springboard for progressive cooperation over the next thirteen years. Crucially, as shown in Table 1, by the time Moldova applied for EU membership in March 2022, there was already a progressively more sophisticated and ambitious web of cooperation in place.

***Table 1**. Chronology of Moldova's EU path.*

Date	Development
March 2, 1992	The United Nations (UN) recognises Moldova as an independent state.
1994/1998	Partnership and Cooperation Agreement signed / came into force.
2004	Moldova becomes part of the EU's European Neighbourhood Policy (ENP).
2009	Moldova becomes part of the EU's Eastern Partnership (EaP) alongside Armenia, Azerbaijan, Belarus, Georgia and Ukraine.
2010	Moldova joins the European Energy Community.
2014	Association Agreement and Deep and Comprehensive Free Trade Agreement (DCFTA) came into force.
2014	EU-Moldova visa free travel regime begins.
March 3 2022	Moldova applies for EU membership.
March 16 2022	Emergency synchronisation of Moldovan power system with continental Europe.
April/May 2022	Moldova completes and submits the EU's membership questionnaires.

June 17 2022	European Commission gives positive opinion on Moldova's membership application.
June 23 2022	Moldova becomes official EU candidate state and is given 'nine steps' to complete.
June 2023	Oral update on progress on nine steps – Commission reports three have been completed
November 2023	EU's Enlargement Package announces that Moldova has met six out of nine steps. The European Commission proposes that Moldova is given EU accession state status.
December 2023	Moldova becomes an official EU accession state.
February 2024	Screening of Moldovan legislation for EU compliance begins.

Source: *Own study.*

By becoming an official EU accession state in December 2023, the frames of reference for Moldova-EU relations have fundamentally altered. This also necessitates a new research perspective to be pursued. Furthermore, given that both the EU and Moldova have in mind 2030 as the year of accession, the negotiation of the six clusters, which comprise 33 chapters representing the EU's *Acquis Communautaire,* will need to be carried out at a pace far quicker than in any of the previous seven rounds of enlargement.

In light of this evolving background, and with the potential for a novel 'accelerated' enlargement scenario, this article seeks to take stock of Moldova's Europeanisation to date and to appraise current and emerging 'roadblocks' on the country's EU accession path from a socio-economic viewpoint. The article is driven by two main research questions. First, how does Moldova 'measure up' to the prospect of becoming an EU member? Second, what are the outstanding problems and inconsistencies associated with Moldova's EU accession?

The novelty of the present article derives first and foremost from its timeliness. Catalysed by Russia's all-out invasion of Ukraine on 24 February 2022, Moldova's relations with the EU moved ahead at a breath-taking speed, which also means that research has yet to catch up with reality. By taking stock of Moldova's EU path thus far, this article constitutes significant added value by addressing the research gap and providing food for thought for the emerging enlargement research agenda. Added value is also realised through the article's elaboration of a socio-economic approach which draws attention to nuanced factors not usually scrutinised in enlargement research.

2. The Research Terrain: Review of Salient Literature on Moldova and the EU

Literature on developments in Moldova-EU relations constitutes a diverse body of work, which has proliferated since Moldova applied for EU membership. Analysis of the state of the art reveals three distinct 'clusters' of literature, which are summarised below.

The first body of literature considers Moldova as a 'problem child' and focuses on systemic problems emanating from its troubled post-1991 development (Crowther, 2023) and the consequent idiosyncrasies that this gave rise to (Magyar and Madlovics, 2022). In this context, significant research emerged around the phenomenon of Moldova as a 'captured state'. This research was informed by a series of comparative World Bank / EBRD studies carried out at the end of the 1990s on business environments, corruption, and the rise of oligarchs in Central and Eastern Europe. This research found Moldova to be the second most captured state in the region after Azerbaijan (Hellman, Jones, and Kaufmann, 2003).

Subsequent research pointed to an intensification of oligarchic influences over the next two decades and the entrenchment of state capture, which led to 'de-democratisation', negligible trust in public institutions, weak rule of law, stymied political pluralism, and the embedding of kleptocratic governance (Leitner and Meisner, 2017; Marandici, 2021).

An anatomy of how a small number of oligarchs captured Moldova was discussed by Całus, who identified how clan-like networks formed extensive business and financial powerbases during the chaos of the break-up of the Soviet Union, which rapidly transformed into political control and influence over the executive, justice, and legislative systems of the country, as well as the media (Całus, 2016).

Recently, scholars have started to look at the damaging effects state capture has had on Moldova's relations with the EU and other international organisations (Merkle, 2022). This has included studies into how it frustrated the country's reform capacities to meet EU norms in such spheres as justice and anti-corruption and contributed to an uneven business environment which inhibited domestic entrepreneurship, economic growth, and trade with the EU.

However, researchers have also started to ask questions about the possibility of a 'remission' of state capture because of new de-oligarchisation measures twinned with EU membership prospects, which might help the country overcome the structures that enabled oligarchs for so many decades. Whilst current analysis points to strong prospects for positive change, which is already manifest in improvements to Moldova's corruption and governance rankings, there still remains plenty of scope for internal and external (Russian) actors to destabilise progress towards 'de-capturing' the state, with consequences for the country's EU accession chances (Longhurst, 2023; Rupert, 2024).

A second cluster of research revolves around themes related to Moldova's development and resilience. This includes coverage of the country's social, environmental, and economic vulnerabilities, and their implications for EU integration. Researchers in this sphere have considered, for example, the distorting impacts of the mass migration of Moldovans, and the consequences that large-scale remittances have on the local economy and the development strategies of the national government and the country's international partners (Cingolani and Vietti, 2019).

Moldova's vulnerability to environmental change and adverse weather conditions, which perennially affect the country's agricultural sector, is another research focal point within this cluster. Environmental vulnerabilities coupled with geopolitical shocks, including previous Russian trade boycotts and the current war, directly affect Moldova's domestic production and exports, which in turn reinforce uneven patterns of development and reliance on foreign assistance (Hunya, 2023).

Problems associated with Moldova's large informal (grey) economy is also a research concern. Informal economic activities diminish job security, deprive the state of tax revenues, hinder business development in line with European norms and also have significant gendered effects, given that women are more likely than men to work in the grey economy (Hutsebaut, 2021).

Also, within this cluster, studies have highlighted Moldova's strides in creating mechanisms for inclusion and equality in political and public life, but also point to legislation-implementation gaps, concerning for example the Council of Europe's Convention on Preventing and Combating Violence Against Women and Domestic Violence (Istanbul Convention), which Moldova joined in 2022 (Eastern Partnership Civil Society Forum, 2024). The argument here is that though in legislative terms progress towards EU norms looks quite good, realities on the ground are deficient.

The final cluster of research zooms in on the prospects, but more specifically the problems and challenges associated with Moldova's EU accession (Secrieru, 2023). Shortly after Moldova was awarded EU candidate status, authors pointed to multiple challenges to do with geopolitics, democratisation as well as the unique and problematic context of possible membership negotiations occurring with a war raging in the eastern neighbourhood (Deen and Zweers, 2022; Karjalainen, 2023).

Other authors have drawn attention to how contextual and cultural factors at the domestic level shape and mediate the reception and extent to which the diffusion of EU norms are securely implanted into Moldovan laws and political practices (Baltag and Burmester, 2022). Thus, even with a clear green light for accession, Moldova's approximation with the EU's *Acquis Communautaire* will come up against significant barriers and possibly see certain norms rejected.

Parmentier also argues that symptoms of state capture and oligarchic influences will continue to play a destructive role in determining the tempo of Moldova's EU integration path. For example, he notes that fake EU-friendly parties and/or candidates linked to oligarchic influences could divide the pro-EU vote in autumn's presidential election and EU membership referendum, and thus undermine the current accession momentum (Parmentier, 2023).

Moldova's EU membership 'readiness', in terms of fulfilling EU accession criteria is a further prominent research avenue. A 2023 civil society study pointed to Moldova's relative success in several reform spheres, but also acknowledged potential for both backsliding and politicisation of European integration as factors that might impede the country's europeanisation (Eastern Partnership Civil Society Forum, 2024). Similarly, Cenusa found prominent gaps between the EU's expectations and Moldova's deliverables on its EU accession route and especially with regards to underperformance towards the European Commission's 'nine steps' that were supposed to be met before the country was granted accession status (Cenusa, 2023).

As this brief review reveals, the research terrain of EU-Moldova relations is inherently interdisciplinary and weaves across and between different levels of analysis, reflecting social, political, historical and economic concerns and as such gives a comprehensive understanding of a complex issue.

Research tends to emphasise shortcomings in Moldova's capacity to meet EU norms and standards because of vulnerabilities, systemic barriers and other domestic factors, which also suggests that the country will need significant financial and technical support on its route towards accession.

In sum, this review of recent literature highlights a need for up-to-date analysis of Moldova's evolving relationship with the EU that takes full account of the new dynamics thrown up by enlargement and in particular in light of a potentially accelerated enlargement process culminating in 2030.

3. Research Methodology

Using a qualitative socio-economic approach, this article takes stock of EU-Moldova relations in the context of EU enlargement. A socio-economic approach implies a multi-dimensional mode of assessing developments and measures of progress that rely on the analysis of multiple factors and indicators drawn from social and economic spheres. The overall idea is to gain a nuanced picture, which a mono-disciplinary approach might not yield (Thalassinos and Stamatopoulos, 2015; Thalassinos and Kiriazidis, 2003).

This approach is justified by three main points. First, since EU accession itself involves different types of policies, norms, and laws spanning many sectors, it makes sense to adopt an analytical lens that takes account of a broad set of social and economic indicators and issues (Pociovalisteanu *et al.,* 2010).

Second, and relatedly, as Mazumdar notes, analysing development using GDP alone reflects a distorted picture of development since levels of development are reflected in many socioeconomic indicators (Mazumdar, 1995).

Third, a socio-economic approach implies flexibility to include a range of variables, such as values and norms – which play a crucial role in Moldova's path towards EU accession. In short, the socio-economic approach emphasised in this article will help capture the multifaceted nature of Moldova's Europeanisation thus far and to assess its EU membership readiness in nuanced ways.

This article adopts the term 'europeanisation' because it is interested in the changes occurring in Moldova as it takes on 'EU features' during the accession process on its path towards EU membership. The article borrows from the conceptualisation developed by Claudio M. Radaelli, who described europeanisation as "Processes of (a) construction (b) diffusion and (c) institutionalization of formal and informal rules, procedures, policy paradigms, styles, "ways of doing things" and shared beliefs and norms which are first defined and consolidated in the making of EU public policy and politics and then incorporated in the logic of domestic discourse, identities, political structures, and public policies" (Radaelli, 2002).

Though Radaelli's notion of europeanisation was conceived in relation to existing member states, his emphasis on dynamic change emanating from a top-down (EU to state) perspective and the idea of 'institutionalisation of formal and informal rules' also resonates with the nature of EU accession.

After all, pressures and expectations arising from the EU's strict accession conditionality for candidates are not dissimilar to those on existing member states to adopt new EU rules. In both cases, such pressures and expectations are demanding and quite rigid. In the case of enlargement, a candidates' lack of compliance with EU criteria and norms ultimately results in EU accession being denied.

This article is based on content analysis of EU and Moldovan policy documents relating to enlargement published after February 24, 2022 – the day of Russia's all-out invasion of Ukraine. It also uses and analyses data from the World Bank and other international organisations, as well as reports produced by independent civil society on EU enlargement.

In addition, the article relies on insights gathered from semi-structured in-depth interviews carried out in July 2022, July 2023, and December 2023 with 12 Moldovan and EU officials working on enlargement issues using a common topic guide created by the author.

Though relatively small in number, these interviews provided an opportunity to hear key stakeholder impressions of the unfolding EU enlargement process and

Moldova's place within it 'in their own words'. The fast-paced and novel characteristics of the situation that transpired over 2022-2023 rendered these personal/professional perspectives essential to understanding EU-Moldova relations during this period.

4. Results and Discussion

The following sections draw attention to Moldova's performance and alignment with a selection of socio-economic indicators relevant to the country's EU accession to show degrees of europeanisation.

The indicators selected for closer discussion correspond with aspects of the EU's core membership criteria, known as the Copenhagen Criteria, which were established in 1993 and entail (i) stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities (ii) a functioning market economy and the ability to cope with competitive pressure and market forces within the EU (iii) the ability to take on the obligations of membership, including the capacity to effectively implement the rules, standards and policies that make up the body of EU law (*Acquis* Communautaire), and adherence to the aims of political, economic and monetary union (European Union, n.d.)

In addition to these three criteria, the EU was keen to stipulate that the Union's institutions themselves also need to be ready to take on new members before any enlargement can proceed. Born out of a perceived need to manage the expectations of Central European states in the early 1990s who were flexing their interest in EU membership, the Copenhagen Criteria sought to establish clear and objective political, economic, and legal benchmarks that future members should unambiguously meet before accession talks began.

Consequently, for the 2004 (Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia), 2007 (Bulgaria, Romania), and 2013 (Croatia) enlargements, the Copenhagen Criteria were the underlying narrative and provided the overall guidelines for the candidate states' reforms. The same is expected for Moldova and the other current candidates and accession states.

As well as coming up to the EU's standards encapsulated in the Copenhagen Criteria, prospective members have to successfully pass through 33 negotiating chapters, which, since February 2020, have been organised into six thematic clusters as depicted in Table 2.

The clustered approach was specifically created to facilitate enlargement to the Western Balkans which had been moving ahead at a snail's pace and in some cases seemed to have met insurmountable blockages.

By negotiating within thematic clusters, the EU's idea was to steer candidates towards meeting core EU norms to do with justice, the rule of law, and democracy, and also to make accession more efficient and credible (EU official, personal communication, July 2023).

Table 2. *Membership negotiation clusters and chapters*

Cluster	Chapters included in the cluster and number
1 Fundamentals	Judiciary (23), Justice freedom and security (24), public procurement (5), statistics (18), financial control (32).
2 Internal market	Free movement of goods (1), free movement of workers (2) Right of establishment & freedom to provide services (3), Free movement of capital (4), Company law (6), Intellectual property law (7), Competition policy (8), Financial services (9), Consumer & health protection (28).
3 Competitiveness and inclusive growth	Customs Union (29), Education & culture (26), Science & research (25), Enterprise & industrial policy (20), Social policy & employment (19), Economic & monetary policy (17), Taxation (16), Digital transformation & media (10).
4 Green agenda and sustainable connectivity	Transport policy (14), Energy (15), Trans-European networks (21), Environment & climate change (27).
5 Resources, agriculture and cohesion	Agriculture & rural development (11), Food safety, veterinary & phytosanitary policy (12), Fisheries & aquaculture (13), Regional policy & coordination of structural instruments (22), Financial & budgetary provisions (33).
6 External relations	External relations (30), Foreign, security & defence policy (31).

Source: *European Commission, 2023a*.

5. The EU's Membership Requirements and Methodology

According to the EU's schedule, Moldova is at the fourth stage (out of nine stages) of accession, which translates into the 'screening' process which verifies the extent of compliance between Moldova's laws and those of the EU. For Moldova, this began in February 2024. Though it could normally be expected to run for at least a year, the current emphasis on an expedited enlargement has buttressed expectations for it to be completed in half this time.

This would represent not only a significant demand on EU and Moldovan bureaucrats, but also implies the need for a very strong political steer to move the process ahead (EU official, personal communication, July 2023). The results of screening will subsequently form the basis of the next enlargement stage where the EU drafts a negotiating framework, which has to be agreed upon by all EU member states before formal negotiations can start.

If the current clustered approach to negotiations is kept for Moldova and the other current accession states, it will mean that cluster one – the ‘fundamentals’ will be the first to open and the penultimate to close. Crucially, what this implies is that Moldova will be expected to successfully complete all five chapters of the fundamentals cluster in order for its progress across all other five clusters ‘to count’ and before moving on to the next stage of accession when the Commission gives its opinion on its membership readiness. The EU’s ‘fundamentals first’ approach exists because a candidate’s successful completion of these chapters is taken as evidence of its commitment to core EU values to do with democracy and the rule of law (EU official, personal communication, December 2023). These areas are, however, Moldova’s Achilles’ heel.

5.1 Gauging Moldova’s Overall Performance vis-à-vis EU Membership

In February 2023, just under a year after Moldova applied for EU membership, the European Commission published its first full analytical report in which it gave a structured assessment of Moldova against the Copenhagen Criteria on a chapter-by-chapter basis (excluding those chapters covered in a previous opinion). 12 cases of ‘early-stage preparation’ were found, 17 instances of ‘some level of preparation’ were identified, and three cases of ‘moderate preparation’ were found, but no examples of a ‘good level of preparation’ or ‘well-advanced preparations’ were identified (European Commission, 2023b).

Some progress was subsequently noted in the November 2023 Enlargement Package report which found eight cases of ‘early-stage preparation’ and two cases of ‘early to some preparation’; 19 cases of ‘some level of preparation’; three cases of ‘some to moderate preparation’; two cases of ‘moderate preparation’ and one case of ‘moderate to good preparation’ (European Commission, 2023c). In sum, in the course of time between February and November 2023, a mild upward shift in Moldova’s overall performance towards EU accession criteria was recorded.

The results of the November 2023 Enlargement Package for all accession/candidate states were coded in a study by Jana Juzová to give a comparative overview of progress towards accession criteria (Juzová, 2023).

Part of Juzová’s findings is presented in Table 3, which highlights the performance of Moldova, Ukraine, and Georgia against the six negotiating clusters. A simple scale of one to five mapped onto the European Commission’s grading system reveals that Moldova comes behind Georgia and Ukraine across all six clusters, apart from the ‘fundamentals’ where it ties with Ukraine.

Moldova’s highest score was in cluster six, which demonstrates the country’s strong adhesion to EU external relations.

Table 3. *Measuring-up to the clusters – Moldova in comparative perspective.*

Negotiating Cluster	Average	Moldova	Georgia	Ukraine
1. Fundamentals	1.8	1.8	2	1.8
2. Internal market	2	1.9	2	2.1
3. Competitiveness and inclusive growth	2.5	2.2	2.7	2.6
4. Green agenda and sustainable connectivity	2	1.9	1.8	2.5
5. Resources, agriculture and cohesion	1.5	1.2	1.5	1.8
6. External Relations	3.3	2.3	3	4

Source: *Adapted from Juzová, 2023. (Scale: 1 = early-stage preparations, 2 = some level of preparation, 3 = moderately prepared, 4 = good level of preparation and 5 = well advanced level of preparation).*

The November Enlargement Package also gave an update on Moldova's progress towards its 'nine steps'. Moldova became an EU candidate state in June 2022 on the 'understanding' that nine steps, which corresponded more or less with the contents of the 'fundamentals' negotiation cluster, were met.

As Table 4 indicates, just prior to Moldova being given the green light to start the accession process, three crucial steps remained incomplete. The incomplete steps (justice reforms, anti-corruption, and de-oligarchisation) are arguably the three most consequential areas for securing Moldova's EU accession. Weaknesses in these spheres can potentially hinder negotiations, slow down necessary legislative changes, and also affect Moldovan public support for enlargement (Moldovan official, personal communication, December 2023).

Further analysis of the nine steps was carried out by the Eastern Partnership Civil Society Forum, which arrived at the solemn conclusion that none of the steps had been satisfactorily completed (Eastern Partnership Civil Society Forum, 2024).

As described later, disputes concerning the level of completion of six of the nine steps, as well as the glaring gaps concerning steps one (justice system), three (anti-corruption), and four (de-oligarchisation), which correspond with the 'meaty' fundamentals negotiating cluster will have implications for Moldova's Europeanisation.

Table 4. *Moldova's performance toward the 'Nine Steps'*

Step	Objective	EU Assessment November 2023	Civil society assessment October 2023
1	Comprehensive justice system reform.	Incomplete.	Moderate progress.
2	Address shortcomings identified by OSCE/ODIHR, Venice	Completed.	Moderate progress.

	Commission/Council of Europe.		
3	Deliver on the commitment to fight corruption.	Incomplete.	Limited progress.
4	Implement the commitment to de-oligarchisation.	Incomplete.	Limited progress.
5	Strengthen the fight against organised crime.	Completed.	Moderate progress.
6	Public Administration.	Completed.	Limited progress.
7	Reform Public Financial Management including public procurement.	Completed.	Moderate progress.
8	Enhance the involvement of civil society in decision-making.	Completed.	Moderate progress.
9	Strengthen human rights; sustain commitments to gender equality/fight violence against women.	Completed.	Moderate progress.

Source: *Eastern Partnership Civil Society Forum, 2024; European Commission, 2023c*.

6. Digging Deeper: Socio-Economic Factors Affecting Moldova's Europeanisation

The previous discussion took stock of Moldova's europeanisation through the lens of its proximity to / distance from EU membership criteria. The following sections will 'dig deeper' into domestic socio-economic aspects of Moldova's EU accession with a view to getting a nuanced picture. A key argument here is that as the accession process moves ahead, domestic factors and conditions will become increasingly consequential.

Accordingly, the following discussion shines a light on three socio-economic structural issues, their symptoms, and how they relate to Moldova's europeanisation. The three issues are: first, Moldova's 'cracked' social contract; second, specific characteristics associated with the Moldovan economy; and third, political polarisation in the country.

A cracked social contact:
Moldova's capacity to meet the EU's formal membership criteria, effectively carry out negotiations and realise approximation with EU laws will depend on the extent to which state institutions are reformed and strengthened in line with European best practices.

Crucially, however, Moldova's problems are not just institutional, nor can they be remedied solely by legislative and political reforms and amendments. Rather, at the root of the problem lies the phenomenon of a 'cracked' social contract amongst society and between individuals and the state, as is common across the majority of post-Soviet countries (Bussolo, Dávalos, Peragine, and Sundaram, 2018).

In the case of Moldova, this situation resulted from inequitable post-Soviet reforms, followed by decades of poor governance and low socio-economic standards of living for the majority of people, which fostered political disenfranchisement and hindered even and steady economic growth (Moldovan official, personal communication, June 2022).

Clefts in the social contract are reflected in several ways, including very low public trust in key state institutions. For example, polls carried out in 2023 by the Moldovan Institute for Public Policy found that only 2.5% of respondents had a great deal of trust in courts of law and 3% a great deal of trust in the office of the General Prosecutor.

Similarly, with regards to the National Anti-corruption Centre (NAC) only 4.2% reported a high level of trust, and 39% a high level of distrust. Crucially, low public trust is apparent across all core state institutions. For example, in 2023, 3.6% of people had a great deal of trust in parliament, and 4% had a great deal of trust in the government.

In contrast, 29.3% had a great deal of trust in the Church (Institute for Public Policy. n.d). This is potentially consequential because the Church is generally not a promoter of EU integration and previously rallied against the types of social reforms to do with inclusion and women's rights that EU membership implies (Moldovan official, personal communication, June 2023).

A rapidly depleting population can also be partly explained as a symptom of Moldova's weak social contract. Low birth rates and high mortality are accelerating factors, but depopulation is largely attributable to mass migration outflows in response to a lack of opportunities at home (Gagauz, Tabac, and Pahonii, 2023).

The size of the Moldovan diaspora is difficult to ascertain accurately but is estimated to be around 1.15 million people (IOM, 2021). To put this in to context, the size of the resident domestic population was calculated as 2.51 million in 2023 (National Bureau of Statistics, n.d., Usual resident population by sex and areas).

According to the World Bank, with a rate of -2.2%, Moldova resides within the bottom five states in the region for population growth (World Bank, n.d., Population growth (annual %) – Moldova). Furthermore, forecasting suggests that this declining trend will continue and that in 2028, Moldova's population will be 2.28 million (National Bureau of Statistics, n.d., Population and Demographic Processes).

There are several immediate and long-term impacts on Moldova's Europeanisation arising from this situation. First, since trust in government institutions is an important driver behind pro-EU views amongst the population, consistently low-level trust towards anti-corruption bodies, the justice system and the government in general implies potential difficulties in sustaining national support for EU integration (Moldovan official, personal communication, June 2023).

Second, population decline has become an existential problem, which, if remains unchecked, could affect Moldova's viability as a state (Balkan Insight, 2020). Furthermore, EU accession will require a large labour force and high-level expertise to modernise the country.

At present, the government's attempts to encourage working-age emigrants to return to Moldova and to engage the Western-educated diaspora in the country's development have not yielded results at a significant scale (Moldovan official, personal communication, July 2023).

Economic specificities:
Moldova's socio-economic situation is palpably shaped by legacies from the past and specific structural weaknesses and characteristics that have implications for the country's EU accession. Though rising trade and energy connections with the EU have helped build social and economic resilience, institutional weaknesses and corruption continue to hold the country back from developing a competitive and sustainable economy that could seamlessly become part of the EU.

Furthermore, Russia's war in Ukraine is exacerbating Moldova's existing socio-economic vulnerabilities (Augusztin, Iker, Cerovic, and Vavra, 2023). As Table 5 reveals, Moldova's GDP growth has fluctuated over the past five years, reflecting the vulnerabilities mentioned above. Furthermore, in 2022, in terms of GDP growth, Moldova was second to bottom in the Europe / Central Asia ranking, according to the World Bank (the bottom state was Ukraine) (World Bank, n.d., GDP growth (annual %)).

Table 5. *Moldova and the EU's GDP growth*

Year	2017	2018	2019	2020	2021	2022	2024
Moldova	4.2%	4.1%	3.6%	-8.3%	13.9%	-5%	2.6%*
EU	2.8%	2.1%	1.8%	-5.7%	6%	3.4%	-

Source: *World Bank, n.d., GDP growth (annual %).* *******Estimation by Cenușă, Lupușor, Madan, Rusu, & Soloviova, 2023.*

The Moldovan economy is also strongly associated with large-scale remittances, which over the past 20 years represented a significant part of the country's GDP. Table 6 shows that at its peak, remittances constituted 34.5% of GDP in 2006. Whilst in 2022, the relative value of remittances are less than half than at their peak, Moldova is still a high remittance-dependent state and takes sixth place out of 48 countries in Europe, Eurasia, and Central Asia.

To provide a comparative perspective; in 2022, the average rate of remittances coming into the EU stood at 0.8% of GDP (World Bank, n.d., Personal remittances, received (% of GDP)).

Table 6. *Personal remittances as a % of Moldovan Gross Domestic Product 2002-2022*

Year	2002	2004	2006	2008	2010	2012	2014	2016	2018	2020	2022
% GDP	19.4 %	27.0 %	34.5 %	31.2 %	25.1 %	22.8 %	22.1 %	18.4 %	16.3 %	16.3 %	14.0 %

Source: *World Bank, n.d., Personal remittances, received (% of GDP).*

Moldova's relatively high-level reliance on remittances has economic and social impacts, which emphasises the country's vulnerabilities. In real terms, the value of remittances for Moldovan households has fallen by around 20% because of a sharp rise in inflation (Cenușă, Lupușor, Madan, Rusu, and Soloviova, 2023). This disproportionality hurts poorer households, who are more reliant on financial inflows from abroad to cover their food and energy needs and thus their basic resilience.

Another socio-economic structural feature with implications for Moldova's EU accession relates to the significant informal 'shadow' economy. The IMF reported that between 1991 and 2015, Moldova's informal economy was worth around 43% of GDP (Medina and Schneider, 2018).

Shrinkage in the value of the informal economy was recorded by Moldova's Bureau of Statistics, which calculated the volume of the country's 'non-observed' economy in 2020 to be 27% of GDP (National Bureau of Statistics of the Republic of Moldova, 2022). Despite this apparent decline, Moldova's shadow economy remains a significant structural factor. For example, the proportion of informal employment in total employment in 2022 was 56% (Danish Trade Union Development Agency, 2024).

Furthermore, Moldova's labour market is characterised by seemingly contradictory trends. For example, the country has one of the highest levels of economic inactivity in Europe; in 2023, it was reported that only 46% of the potential workforce (aged 15 years and over) was actively in employment. But at the same time, a relatively low unemployment rate of 4.1% is recorded (National Bureau of Statistics of the Republic of Moldova, n.d., Employment and Unemployment).

Additionally, it is frequently reported that there are labour shortages across several sectors (Moldovan official, personal communication, July 2023). These patterns suggest that the true number of workers employed abroad in not known and also that employment in the informal economic sector is probably larger than is officially reported.

Moldova's economic specificities are consequential for the country's EU membership prospects. First, Moldova's economy still retains many of its vulnerabilities and also remains significantly dependent on remittances. Whilst remittances are a core source of income for the poorest Moldovan households and help alleviate poverty, they also hinder the types of strategic economic developments that Moldova needs to realise in preparation for EU accession.

For example, remittances depress labour force participation rates, create cultures of dependence and dampen entrepreneurship and prospects for growth, especially in the manufacturing sector. Second, the persistence of Moldova's informal economy implies a significant loss of income to the state, which means fewer funds being available for public services and investments. The informal economy also perpetuates weak institutions and leaves workers without adequate protections and rights in line with international labour norms, including representation, social security and adequate pensions coverage, which also affects societal resilience.

Since businesses operating informally also tend to have lower productivity, are less prone to innovate and to internationalise and trade abroad, the persistence of the shadow economy is also inhibiting Moldovan businesses from taking full advantage of trade and development opportunities afforded by market integration with the EU (EU official, personal communication, July 2023).

A polarised polity:
European integration polarises Moldovan society and the party system and leaves little middle ground for compromise and consensus building. Polarisation over Europe runs deep with opposing camps questioning the 'moral legitimacy' of the other and claiming that the policies of their adversaries constitute an 'existential threat' to their way of life and to the nation (European Centre for Populism Studies, n.d.).

Though popular support for Moldova's EU integration is strong, opinion on the specific question of EU membership is still divided. As Table 7 shows, in consecutive polling between 2020 and 2023, whilst EU membership is the preferred option for Moldovans, accession to the Russian-led Eurasian Economic Union (EEU) also garners consistent support. Thus, despite the fact that the EU is Moldova's most significant trade partner, a significant portion of Moldovans see cooperation with Russia and other EEU states (Armenia, Belarus, Kazakhstan and Kyrgyzstan) as more desirable than EU accession.

Table 7. *Public support for joining the EU versus the Eurasian Economic Union*

Survey question: 'If you had to choose in a referendum between Moldova's accession to the EU or the Eurasian Economic Union which would you opt for?'	October 2020	June 2021	November 2022	August 2023

For accession to the EU	48.7%	56.3%	48%	47%
For accession to the Eurasian Economic Union	22.6%	27.9%	31.7%	32.5%
I don't know / I have not decided	23.2%	9%	13.3%	14.4%
I would not participate	4%	5.7%	5.3%	4.5%

Source: *Institute for Public Policy. n.d.*

Polarisation in Moldova's party system over Europe has sharpened over the past two years as the prospect of EU membership edged closer. The main axis of division over Europe is represented by the ruling pro-EU Party of Action and Solidarity (PAS), which has 63 parliamentary seats, and the main opposition – the Russophile bloc of communists and socialists (BCS), which has 26 parliamentary seats. BCS criticises the government for mismanaging the economy and pauperising the population; it rejects EU membership and wants to keep Moldova neutral but at the same time aligned with Russia.

Additionally, despite efforts at de-oligarchisation and the banning of the party of oligarch Ilan Shor by the Moldovan constitutional court in June 2023, oligarchic influences are strongly apparent in parliament, reinforcing the anti-EU camp and keeping the legislature polarised.

The pro-Russia / oligarch-linked 'Revival Party', which holds four parliamentary seats, echoes the main opposition's call for President Maia Sandu to resign and wants to tie the country to Russia's orbit and away from an EU model of development.

Meanwhile, most of the six 'independent' members of parliament (previously members of the Shor party) are still linked with him and want to keep Moldova 'open for business with Russia' and in doing so frustrate Moldova's Europeanisation (Rusnac, 2024).

Evidently, polarisation over Moldova's EU integration is a structural factor with multiple implications that are intensifying as the country moves towards a combined presidential election and EU membership referendum in autumn 2024.

First, parliamentary polarisation means that a cross-party consensus on EU membership has not emerged. Relatedly, polarisation is limiting parliament's role in legislating for EU accession, since pro-Russia / oligarch-influenced opposition parties have no interest in constructively scrutinising the government on EU matters and contributing to debates and joint legislation to ensure a smooth EU entry (Moldovan official, personal communication, December 2023).

Second, there is a new risk that the pro-EU vote, which would normally go straight to the incumbent president, Maia Sandu, could split and potentially damage the current momentum of Moldova's EU integration. One scenario is that Ion Ceban, who is currently mayor of Chisinau and leader of the National Alternative Movement (which has one parliamentary seat), stands for president on a pro-EU membership ticket.

Previously part of the communist and socialist bloc, Ceban transformed himself into a pro-European candidate. Many claim however, that he remains Moscow-leaning and / or close to oligarchic influences and is, therefore, a conduit for Russia's hybrid warfare to return Moldova to its sphere of influence and away from the EU (Moldovan official, personal communication, December 2023).

7. Conclusions and Outlook

By adopting a fresh socio-economic lens, this article took stock of Moldova's relations with the EU in light of the country's prospective EU membership and in the context of a potentially 'accelerated' accession that was sparked by Russia's invasion of Ukraine on 24 February 2022. The article posited that the forthcoming enlargement had unique characteristics, especially in terms of its emphasis on speed and its strong geopolitical implications. These features make it different to previous EU enlargement rounds.

The article responded to two research questions: how does Moldova 'measure up' to the prospect of becoming an EU member? And what are the outstanding problems and inconsistencies associated with Moldova's EU accession?

First, though findings pointed to ample political will and a commitment to realise EU reforms from the side of the Moldovan government, significant shortcomings in Moldova's performance vis-a-vis the EU's accession criteria, particularly in relation to core EU values to do with democracy, democratic institutions and the rule of law are apparent.

The article's appraisal of Moldova's commitment to fulfilling the EU's 'nine steps' that were supposed to be completed before negotiations confirmed these significant gaps. Whilst official EU reports found that most conditions had been met, civil society assessments revealed a lack of progress in important spheres, including public administration and gender equality, with direct implications for Moldova's EU accession prospects, especially if an expedited enlargement occurs.

To provide a novel response to the second research question, the article 'dug deep' and discussed three structural socio-economic factors which, it was argued, have considerable significance for the country's EU integration. The combined effects of a fractured social contract, an economy shaped by legacies of the past, together with popular polarisation, will determine the pace and sustainability of Moldova's europeanisation.

The outlook for Moldova's Europeanisation is complex. Whilst the positive momentum continues and 2030 remains the target date for Moldova's EU membership, 2024 has signalled the start of a challenging year. In autumn, Moldovans will go to the polls to take part in a combined EU membership referendum and presidential election.

Though this entailed a controversial change to the electoral code, the government hopes that the combined referendum and election will help forge a national pro-EU consensus and legitimise Moldova's EU membership. At the same time, Russia's hybrid warfare and irredentist rhetoric aimed at Moldova is getting stronger and will undoubtedly aim at undermining EU enlargement through various hybrid tools. Oligarchic influences to steer the country away from the EU are also likely to intensify in the run-up to the election/referendum. Above all else, this complex outlook shows that Moldova's Europeanisation is far from irreversible.

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