



MOLDOVA AND TRANSNISTRIA, AND THE WAR IN UKRAINE

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On February 21, 2022, Moscow recognized the independence of Donetsk and Luhansk, two self-proclaimed republics in Eastern Ukraine. Abkhazia and South Ossetia immediately followed suite. Transnistria did not. Three days later, Russia invaded Ukraine. While the two South Caucasus “republics” of Georgia support the endeavor and wholeheartedly adopt Kremlin’s narrative, Transnistria is not. Yet, in the past this pro-Russian separatist region of Moldova backed Moscow on every step: recognizing Abkhazia and South Ossetia in 2008 and the annexation of Crimea in 2014 - Tiraspol even took that opportunity to ask Russia for annexation too.

Now, it reiterates its stance for independence but refrains from supporting Moscow, while Chisinau applies for Moldova’s EU membership, condemns the war on Ukraine but refrains from joining Western sanctions on Russia. Both Chisinau and Tiraspol fear being drawn into the war, insist on their neutrality and navigate a slippery road, both being **entangled between Russia and Europe**.

Transnistria’s [demography certainly matters](#): 26% of the population self-declare as ethnic Ukrainians, most of them detain Ukrainian citizenship and maintain family and social relations in Ukraine. Transnistria opened its doors to the refugees: by mid-April, some [8,000 Ukrainians](#) decided to stay there (out of 101,331 that decided to stay in Moldova). Doing otherwise would not meet with popular approval.

But the Transnistrian elites also fear that Moscow’s war – its consequences are already felt with the closure of the Ukrainian border and come on the top of an economic crisis that Transnistria experiences since 2014 as trade via Ukraine to Russia has been halted and Moscow’s direct subsidies considerably cut - will change the **status quo that is favorable to them**.

On the one hand, Transnistrian entrepreneurs benefit from the EU’s Eastern Partnership program and then from the Deep and Comprehensive Free Trade Area (DCFTA) with Moldova. Transnistrian companies, once registered in Chisinau and holding Moldovan export certificates enjoy the advantages granted to Moldova on the world markets, without contributing to the tax revenues (income tax and tariff revenues) of Chisinau. As a result, since the end of 2000s, Transnistria’s foreign trade has undergone a radical transition. In 2021, 34,9% of [exports](#) go to the EU, 31,8% to Moldova, 14,4 to Ukraine, against 9,8% to Eurasian Economic Union.

On the other hand, the vast majority of products [exported to the West](#), mostly metal and textile, are manufactured by companies benefiting from the natural [gas provided free of charge by Russia](#) to Transnistria. Transnistria consumes more than two thirds of the gas supplied by the Russian Gazprom to Moldova. This generates a very high income considering that, since 2009, Transnistria has paid nothing to MoldovaGaz (a [dept of 5,8 billion USD](#) as of 2017) and keeps all the profits.

¹ Text last revised on April 22, 2022.

Enriched and powerful through unrecognized secession, there are few economic elites in the region – that is Sheriff conglomerate that captured its political power as well - who call either for reunification with Moldova or, seriously, for unification with Russia. Hence **Transnistria's balancing act**.

A balancing act that is also pursued by Chisinau. In the 2010s, the share of [trade with Europe overtook trade with the CIS](#) (in 1997, 60% of its exports went to Russia and 20% to the EU, in 2017, 10% went to Russia while 65% went to the EU) and, since Maia Sandu's election in 2020, Moldova is resolutely turned towards the EU. However, it is still heavily dependent on Russian energy, which in turn is heavily intertwined with Transnistria (not to mention the security issue posed by Russian troops stationed there).

A major [energy crisis](#) is a real possibility. Moldova was bound to conduct an audit of the debt due to Gazprom. It could not be done, Chisinau asked for an extension but as no answer was provided, gas supplies may be cut as of May 1st, 2022. At the same time, the contract with the [Kuchurgan Power Station](#) (MGRES) ends on April 31, 2022. MGRES is situated in Transnistria, owned by Moscow-based Inter RAOES, provides 80% of electricity used in Moldova and, because run on gas delivered by Gazprom, it is cheaper than the electricity market prices.

Even though Chisinau is now able to undermine Russian monopoly on Moldovan energy (since 2020 et 2021, [electricity and gas can be supplied from Romania](#), the latter via the Trans-Balkan or Iasi-Ungheni-Chisinau pipelines), such a diversification is very costly due to [market prices](#) it involves. In the short-medium term, Chisinau needs thus to avoid provoking Kremlin in order to be able to negotiate.

As the Moldovan economy is already under stress, **government's popularity may be fragilized**. After the pandemic, the poorest country in Europe, of some 3,5 million people, received over [430,000 Ukrainian refugees](#). Moldova's [consumer prices](#) rose 21,16% (compared to March 2021) and the inflation for 2022 is seen at 21%. To maintain internal support for its pro-European course, the government needs continuous Western support.

If in Fall 2021, 38% of Moldovans strongly supported the [country's EU membership](#) and 26% somewhat supported it, the course towards the Eurasian Union was still strongly supported by 22% and by 27% somewhat so. In March 2022, 51% of respondents indicated full [support for Ukraine](#) and 20% considered the Russian "special operation" as legitimate (other polls indicate 61% versus 26%, respectively).

The nowadays opposition led by the former pro-Russia President (2016-2020), Igor Dodon (second [best-trusted politician](#) after Sandu; 13,8% and 22,3% respectively in April 2022), insists – in line with the government - on Moldova's neutrality but still advocates close [ties with Moscow](#); Dodon met in April 2022 with [Russia's ambassador](#) in Chisinau to that effect. Moldova's [ban on the St. George ribbon](#) (together with "V" and "Z" symbols), a sign of Russian aggression, met with

vivid criticism both from the [opposition](#) and from [Transnistria](#). Representing victory over Nazism during the Great Patriotic War, Dodon urges people to wear it on May 9, [Tiraspol invites Moldovans](#) to celebrate the day with them and points to the ban as another proof of the impossibility of sharing a political space with Moldova.

Russia warned that the ban “[will be painful](#)” for Moldova, raising the spectre of “denazification”. Caught in-between, defenseless, Moldova and Transnistria navigate a perilous terrain hoping that the war will not reach their borders. Otherwise, the **fragile equilibrium** found between them over the last years (profitable for some) **risks to collapse**.