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Executive summary

New important developments were recorded in Moldova, Ukraine and Georgia in March. In Chisinau, the Government collapsed on March 5. The pro-EU tripartite coalition, shaken by internal struggles, did not survive a no confidence vote. The Democratic Party, the second biggest stakeholder of the ruling alliance, voted to oust the Prime Minister Vladimir Filat. There are two scenarios, both very uncertain: the revival of the coalition under new schemes or early elections. The second option, in particular, might bring the Communists back to the power after just four years and jeopardize Moldova's aspirations to secure a closer relation with the EU.

In Ukraine, the bloc belonging to the President Viktor Yanukovich launched a new offensive against Yulia Tymoshenko, by stripping Sergey Vlasenko, her main defendant, of his parliamentary seat. The measure was harshly criticized by the EU and might affect the finalization of the Stabilization and Association Agreement (SAA) between Kiev and Brussels, as the EU has clearly stated that Ukraine's Government must put an end to the selective use of justice against opposition.

As for Georgia, the post-electoral fight between the Prime Minister Bidzina Ivanishvili and the Head of State Mikhail Saakashvili is not yet over. Ivanishvili's coalition, The Georgian Dream, promoted a constitutional amendment that deprives the President of the power to fire the Government, reshaping the balance of power between the Government and the Presidency and paving the way to the transformation of Georgia in a parliamentary republic, just ahead of presidential elections in October. Thus, Bidzina Ivanishvili lays the ground for enforcing his role and act without too many counterweights.

Situation report

Moldova

The Government, headed by Vladimir Filat, did not survive a no confidence vote on March 5. Likely, the vote was the final chapter of the crisis of the tripartite pro-EU coalition that put an end to the long-time rule of the Communist Party by winning general elections in 2009.

The crisis started in December 2012, when the general prosecutor Valeriu Zubco killed a businessman during a hunting trip. An inquiry was opened (Filat pushed for it because of the EU's pressures) and soon drove to Zubco's dismissal. This angered the Democratic Party, the second biggest stakeholder of the coalition, to which Zubco belongs to. The Democratic Party retaliated by using its control over the National Anti-Corruption Center to launch some investigations into members of the Filat's Liberal-Democratic Party, the biggest force of the ruling alliance. The Prime Minister reacted by voting with the opposition the dismissal of the deputy chairman of the Parliament, Vlad Plahotniuc, an influential businessman and a prominent member of the Democratic Party. The next step was the call of the no confidence motion, made by the Communists, who tried to take advantage of fights between Filat and his allies. The vote was scheduled on March 5.

As expected, the Democratic Party and the Communists voted to oust Filat. The Liberal Party, the third and smallest group of the coalition, abstained. Since the no confidence vote the tripartite coalition has 45 days to revive the alliance, otherwise new elections must be organized. The room for manoeuvre for avoiding this scenario seems very thin, since both Marian Lupu and Mihai Ghimpu, the leaders of the Democratic Party and the Liberal Party respectively, ask Filat a thing he refuses to do: stepping down permanently as Prime Minister.

Ukraine

A further step in Tymoshenko's saga was made by the ruling coalition last month. Sergey Vlasenko, a member of the Parliament and the main defendant of the former Prime Minister, sentenced to 7 years in jail in 2011 for having signed unfair gas deal with Russia in 2009 and now facing new accusations ranging from murder to tax evasion, was stripped of his parliamentary seat on March 6. The decision was taken by Ukraine's top administrative court, after a request forwarded it by Volodimir Rybak, the Speaker of the Parliament and a member of the Party of Regions, the political force headed by the President Viktor Yanukovich. According to Rybak, Sergey Vlasenko, a member of Tymoshenko's bloc, could not combine work as a lawyer and a lawmaker. After he was stripped of his seat, authorities prohibited him to leave the country.

The bloc belonging to Yulia Tymoshenko, chaired by Arsenyi Yatseniuk, threatened to organize mass protests in the country, while the EU suggested that Vlasenko's case might have a serious impact on Ukraine's aspiration to sign by the end of the year the Free Trade Agreement and the Stabilization and Association Agreement (SAA), a deal that would resume a high level dialogue between Kiev and Brussels. After all European leaders, during the EU-Ukraine summit in February, made clear that Kiev does not have such a big chance unless it shows concrete progresses in the fields of justice and rule of law by early May 2013.

Georgia

On March 21, The Georgian Parliament voted a constitutional amendment that deprives the President of the power to fire the Government. It seems another step of the strategy aimed at reducing the presidential powers carried out by the Prime Minister Bidzina Ivanishvili since his coalition, the Georgian Dream, surprisingly won general elections in October. According to many analysts, the Prime Minister deployed since then a "vindictive" policy towards the President Mikhail Saakashvili and members of the United National Movement (UNM), the party of the President, which took power in 2003. Some prominent members of Saakashvili's bloc were put under investigation or even arrested over the last months. The constitutional amendment explicitly eliminates a scenario under which the President could fire the Government before the expiration of his second mandate in October. However this possibility already seemed quite unlikely, as Saakashvili has stated several times that he will not use these powers and he will not run for a third mandate.

The measure still needs two more parliamentary readings before it enters into force, although its approval is a mere formality. As a matter of fact the United National Movement agreed to support the amendment. This choice wonders, yet it might be seen as an attempt to rebrand the party, which until now has been perceived as a mere instrument of Saakashvili's power.

One thing is certain: the recent constitutional amendment paves the way to Georgia's transition from a presidential to a parliamentary system and, by consequence, gives the Prime Minister the chance to rule without too many counterweights.

Regional trends

Some months ago the EU launched an ambitious plan: finalizing the SAA as well the Free trade agreement with Ukraine and Moldova during the summit of the Eastern Partnership, which will take place in Riga in November. The Eastern Partnership is a cooperation scheme aimed at enhancing ties between the EU and post-Soviet countries and – by consequence – making Russia's influence in this area milder.

These deals are very important for both the countries. By signing them, Moldova might give concreteness to its will to join the EU in the future and secure the chance to give a new impulse to its poor economy, which has been severely hit by the global crisis. Last but not least, Chisinau could offer to Transnistria, the secessionist entity of its territory, a perspective to improve cooperation and look for a normalization of relations, which is the unavoidable condition for speeding up the process of integration with the EU.

As for Ukraine, the deals have a different meaning. Frankly, few observers forecast a European future for Kiev. The momentum raised after the Orange Revolution in 2004-2005 vanished soon and the political, geographical and cultural factors that keep Ukraine far from Europe came back. The rise on power of Yanukovich and his pro-Russian party in 2010 had made EU-Ukraine relations even more complex. However the EU wants to resume high level talks, which are key to its security, since Russia's influence over Ukraine has noticeable energy and stability implications for the EU and in particular for its Eastern belt.

Recent developments in these countries suggest the EU to postpone the purpose of finalizing the deals with Chisinau and Kiev. Maybe Europe's ambitions are a bit premature. Moldova's Government crisis paves the way to an uncertain scenario. Should there be early elections, with a Communist comeback, its European ambitions would be derailed. It would be a great damage for the country, since Vladimir Filat has received Angela Merkel and José Barroso's endorsements in recent months. Both the German Chancellor and the President of the European Commission visited Chisinau and praised Filat's team for all the reforms carried out, opening a window of opportunity.

By contrast a new deal between the members of the tripartite coalition would be welcomed in Brussels, although its quality should be verified in the coming months, thus making the signature of the Free Trade Agreement and the SAA in November quite unlikely. Rivalries

between the three parties that form the coalition are serious and chances to renew the pact under which they have managed the country since 2009 seem narrow. Experts doubt that a new coalition, even with a new Prime Minister, can work. They stress that two centres of power are emerging inside the perimeter of the pro-EU camp and this makes governance harder.

Ukraine should not sign the deals as well. Yanukovich is trying to show the EU the commitment to improve bilateral relations and indeed he is interested in secure better ties with Brussels, as Russia's appetites over Ukraine energy grid are becoming too strong, and threaten Ukraine's independence. However it seems that the Head of State does not accept the condition set by the EU for the signature of the agreements in November: freeing Yulia Tymoshenko. Keeping her in jail is somehow functional to the on-going gas prices dispute with Russia (see Eastern Europe Strategic Trends, November 2012). Moreover Yanukovich fears that he might lose some internal consensus if he pardons the former Prime Minister. Instead he is supposed to pardon Yuriy Lutsenko, a former Interior minister and Tymoshenko's key ally, who was targeted by selective justice too. Will this be enough for the EU?

Somehow Georgia's Government, although there are no deals with the EU on the horizon, is pursuing a strategy similar to the one deployed by Yanukovich in Ukraine. Also the Georgian Prime Minister Bidzina Ivanishvili launched offensives to limit the room for manoeuvre of his rivals. Arrests and trials, as well as reforms aimed at reducing the powers of the Head of State, confirms this attitude. At the same time he is mending ties with the Russians, as announced during the campaign. Regardless Ivanishvili's pro-Russian stance, it is a logical move in terms of economy and stability. Georgia, as well as Ukraine, can't avoid a close relation with Russia, its biggest and richest neighbour.

However if this relation becomes too deep, Georgia's independence would go under stress due to Moscow's hegemonic behaviour. Hence, Ivanishvili knows that he must preserve a good relation with the West to counterbalance the Kremlin's power. The Eastern Partnership and the Georgian-NATO bilateral commission even more (there was a fruitful meeting on March 19) are the two forums through which the Georgian Prime Minister aims at keeping these ties warm, or lukewarm at least.