

Facing the refugee challenge: a view from Moldova

*The European Union and the International Monetary Fund have been deploying resources to help Moldova cope with an influx of refugees that represents more than 10 per cent of the country's population of less than three million people. The Moldovan agency in charge of state-owned property and enterprises has been leading the efforts. **Simeon Djankov** and **Eugeniu Cozonac** write that the agency needs a new organisational structure of its holdings, and much closer cooperation across the different enterprises under its control.*

The war in Ukraine has brought formidable challenges to its southern neighbour, Moldova. This nation of less than three million people has hosted 360,000 refugees since the war erupted, of whom at least 100,000 remain in Moldova.

Some international help is on the way, as the European Union has deployed 15 million euros to address the immediate humanitarian crisis. Romania, Germany, and France have established the "Moldova Support Platform," an initiative to help Moldova absorb the influx of refugees. Moldova has also started talks with the International Monetary Fund for further financial support.

In the meantime, however, the work of welcoming refugees falls into the hands of Moldovan institutions like the Public Property Agency (PPA). The Agency manages state-owned land and buildings, as well as nearly 200 state-owned enterprises in various sectors of the economy, employing over 30,000 workers. These have become first-responders in the sudden refugee wave, providing food, shelter, medical assistance, communications services, and documents for those Ukrainians who had to flee their homes without passports.

For example, over 1,000 refugees are currently sheltered on the premises of MoldExpo Exhibition Center, the Manej Athletic Center, and the Constructorul Sanatorium, while over 28,000 refugees have called those temporary shelters home at some point in the past month. While there, Ukrainian refugees receive free mobile sim cards from the state-owned Moldtelecom, so they can reconnect with their family and friends. Medical assistance is also provided on-site, as well as transportation support for the refugees who wish to continue their journey to other European countries (over 250,000 already have).

The sudden influx of refugees required the companies in the PPA portfolio to address the immediate housing needs of refugees. In one instance in mid-March, the police reported that a group of several hundred refugees, mostly children, crossed the border in a convoy of buses. The state-owned railroad company, under the umbrella of the PPA, provided a thousand bedding sets (mattresses and linens) originally intended for sleeping cars; PPA transport company employees provided the personnel to load and transport them from the border to Chishinau, the capital city; the state-owned Cricova Winery sent trucks for transportation, originally intended for retail services; and a local university ceded its athletic centre for temporary housing. A new refugee centre was set up within three hours, just as busses with refugees were arriving.

Since the start of the war, some refugees coming to Moldova chose to seek asylum and stay at least temporarily, whereas many chose to transit on to other countries farther away from the hostilities. To assist those in transit, and to eliminate unnecessary stopovers in the capital city, Moldovan Railways launched two daily train routes from the Ukrainian border to the city of Iasi in Romania, just across the border with the European Union. The trains acted as temporary shelters, providing all sleeper cars, so that the refugees could rest while making their way to Romania.

It is expected that the influx of refugees will rise with every increase in hostilities across the border. Ongoing preparations are being carried out in case Odessa is bombarded or the fighting around Kyiv worsens. In these scenarios, tens of thousands more refugees will cross into Moldova. The Public Property Agency is tasked with preparing shelter, transport, and food for an additional 25,000 refugees.

These challenges are compounded by fear that Russia may not stop its attacks at the border. While there are no indications of an imminent threat to Moldova, there is a contingent of Russian troops in the breakaway region of Transnistria in the Eastern part of Moldova. Fears were fuelled when Belarusian president Alexander Lukashenko displayed a tactical map in early March 2022 with arrows indicating troop movements into Moldova during a televised meeting with his Security Council. Further exacerbating tensions, at a rally in Moscow two weeks later, attendees marking the anniversary since Russia's annexation of Crimea sang "Made in the USSR," which opens with the refrain: "Ukraine and Crimea, Belarus and Moldova, it's all my country."

The enormity of the task ahead is daunting. State property, long left without proper care and sometimes mired in corruption and scandal, has become overnight an instrument for addressing the humanitarian crisis. This task necessitates new organisational structure of its holdings, and much closer cooperation across the different enterprises that report to the Public Property Agency. Plans were already underway for greater efficiency in management of state assets, after Moldova's new government took power in 2021. These plans are now being revised on the go, and their implementation accelerated.



Notes:

- *This blog post represents the views of its author(s), not necessarily those of LSE Business Review or the London School of Economics and Political Science.*
- *Featured [image](#) by [Міністерство внутрішніх справ України](#) (Ministry of Internal Affairs of Ukraine), under a [CC-BY-4.0 International](#) licence, via [Wikimedia Commons](#)*
- *When you leave a comment, you're agreeing to our [Comment Policy](#).*