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**The Association Policies and Economic Integration of the Republic of
Moldova into the EU and their Alternatives**

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Abstract: The policies and decisions of association and economic integration of the Republic of Moldova into the European economic social system have a pseudo-scientific, contradictory, fragmentary character. The implementation of these policies of association and European integration, beginning with the '90s and so far were not based on the principles developed and promoted by the modern and current economic growth theories and on the Association Agreement of the Republic of Moldova to the EU. All these actions of the government has led to the stagnation of the process of association and national economic integration into the EU, the deepening of instability and imbalances in the local economic system, to the increase of the level of vulnerability and to social constraints in comparison with EU countries. The results of the economic policies carried out in the years 2000 to 2015 confirms that from the point of view of social-economic development and the level of Association and economic integration, the Republic of Moldova is found more in the achievement of small and fragmented steps of conception of economic-financial integration instruments, reflected in modern and current economic theories. These processes have led to the inability of the State as to define its own objectives and priorities of development and socio-economic integration, as well as legitimized a continuous transition integration condition to the developed European economic market.

Keywords: association and economic integration; imbalances and balances; crisis; recession; competitiveness of the national economy; sovereign risk; internal threat; Moldovan-European relations

Introduction

In this article is proposed a real change of the development policy and socio-economic integration of the Republic of Moldova into the EU in perspective, namely: highlight and implementation in policies and decisions of association and economic integration of the principles put forward by the neoclassic and neoconservative synthesis theories. The association policies and economic integration promoted by these theories serve as basis for monitoring and coordinating the strategy of Moldovan–European economic integration and anticipation of imbalances and economic stabilization, in order to minimize the effects of global and regional crisis on the Republic of Moldova, for adaptation of association and integration policy to national socio-economic conditions. It is also necessary to implement a system of actions to facilitate the integration of productive consumption, of the technical progress and the growth of labor productivity, as well as attracting foreign investment in interactionist priorities for innovation development of the country's economy. These assumptions arise from scientific analysis of the conditions that contribute to the expansion of the economic recession in the Republic of Moldova and from the study of main factors affecting the sustainable economic growth.

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The specific of policies and economic development decisions, association and integration of the Republic of Moldova into the EU is determined and based on the theory of economic growth and pseudo-scientific economic integration. Such theories and policies include:

- constrain of the rights of private property and freedom of development and integration of economic entities;
- oligarhization and monopolization of regulatory institutions and of the economic circuit;
- reduction of socio-economic relations, of the Moldovan-European integration relations and the market; a
- development and economic integration based on consumption and provided by remittances.

This trend noticeably has increased the unproductive expenditures, pensions, has introduced a series of social facilities, has admitted direct involvement of the State in the real economy and has led to the oligarhization and monopolization of the economic potential, to decrease of collections and investments in real economic sector, to growth of inflation and limitation of revenue already obtained at considerable compression of the local economic potential, to deepening of imbalances and of the socio-economic crisis, to essential depreciation of the national currency and decrease in the purchasing power of incomes of the population, to increasing of pauperism and poverty. The highlight of effective directions of association and economic integration assumes exceeding the global economic downturn in the years 2007-2009 and prevention of economic and financial crisis succeeded at regional level, including in the Republic of Moldova. All these render the actuality of implemented principles developed by the modern and current economic theories in policies and decisions for development and integration of the domestic economy into the EU. The analysis of economic policies and the systems of economic integration of mixed market formed based on science and economic theory does not bear just a purely theoretical character, but implicitly supports the implementation of certain policies of renovation or correction of negative elements from the existing national economic system, especially as relevant measures in preventing or overcoming the economic recession. The fact that for the Republic of Moldova, science and economic theory became current, actual and the unique chance and the < lifesaver > for decision-makers, is demonstrated by the new rules set at international level in some cases comparable with establishing the gold standard as reference standard after the second world war. As balancing measures of the economic systems can be maintaining the limits set by the IMF for the Republic of Moldova for the financial policy, the budget deficit, or new arrangements in the Association Agreement with the EU on the regulation of the banking system, fighting corruption, demonopolization of the economic circuit etc. The researches made out have shown that practically the economy of the Republic of Moldova, as part of the global economic system, but without association, admission and organic integration to EU structures, is and permanently will be at exposed to geopolitical risks, to regional economic crises, financial, monetary and social crises. At the same time, the specifics of science-technical and domestic economic progress will be all the time modest and slow in comparison with the EU, and the socio-economic situation will worsen still further, if the Republic of Moldova will not appreciate firmly with its position between the two systems and geopolitical forces diametrically opposed. The oscillation and failed handling between these two geopolitical forces of governors and the implementation of policies and economic opportunity decisions in the national economy have resulted in increasing the economic instability and to socio-economic disproportions, to increase of the level of vulnerability caused by internal and external factors, to permanent appearance of social constraints as a result of decrease of the domestic economic potential.

Basic content. The economic-scientific policies in conditions of recession must include mechanisms and regulatory monitor and correction concerning the association and integration of the Republic of Moldova into the UE and anticipation of imbalances in Moldovan-European socio-economic relations. These policies and mechanisms should be based on theories of economic integration, the Association Agreement so as to achieve the balance of Moldovan-European economic interests and relations and the creation of preconditions for economic development and admission of the Republic of Moldova into the UE. The social and economic imbalances and disproportions comprise and affect the most sensitive and important element of the economic integration system, including the real sector of integration of the economy, of the entrepreneurship system. Considerably is affected the possibility of integration of the small and medium business into the European. But the most crucial is affected the integration system of individual enterprises, family, farmers, because the possibilities of the State to support these categories of enterprises in crisis conditions are very limited. The monopolization, oligarhization and capture of the State has the permanent imbalance of the Moldovan-European integration relations, including the political, socio-economic and monetary, which now present a social danger, not only the association and integration of the Republic of Moldova into the UE, but at all the national interests and security of the State. A strategy should be developed for monitoring and coordinating the removal processes from capturing the State institutions, the association of State after EU countries model, and in the first place, Romania. This strategy may include the monitoring of imbalances, demonopolization and deformations in the Moldovan-European relations through prevention and correction, through Moldovan-European coordination of the monetary field, fiscal and structural reforms (see scheme 1). In the national economic system since 2000 there has not been a single Moldovan-European organ for monitoring of imbalances, demonopolization processes, partnership, association and economic integration of the Republic of Moldova into the UE.

The Communist Party having the constitutional power “cut” the already functional legal system, including, law on financial institutions, law of the budgetary-tax process, decisions of the Government and the Board of BNM etc., with the purpose: to limit the process of democratization and liberalization of economic relations and private property. At the same time have stopped the processes of association and national economic integration with the EU once with monopolization of the economic system, including the credit system, the Government has borrowed and “wasted” 9 billion from BNM which constituted 60 % of the money in the economic circuit. For centralizing the economic circuit, the governance has changed the procedure of formation and execution of the budget for the allocation of funds to those territories, where the Communists were in power; the Communist Government has stopped the process of democratization and decentralization of the power and cancelled the law on forming Counties and returning to district party structures and their illegal funding. At the same time, have been monopolized the economic relations by reviewing the results of privatization, including in the banking sector, turning the Banca de Economii a Moldovei into State governance through which they can be able to steal billions. Have been taken a number of decisions that led to macroeconomic imbalance (for example all public utility payments, taxes, pensions, government credits, grants should be made through BEM placing the other banks in unequal conditions in terms of fair competition.

All these and other actions of monopolization of the socio-economic system distorted the Moldovan-European relations and have stopped the processes of association and integration of the Republic of Moldova into the UE paving the way for oligarchs from the governing Alliance to monopolize the economy and to steal more and more through BEM. “Cutting through legislation”, the governors from the Alliance have “untied the hands” as to executive and control institutions to respond directly and criminally for unlawful expropriation, to monopolize and then oligarhize and capture the State, for

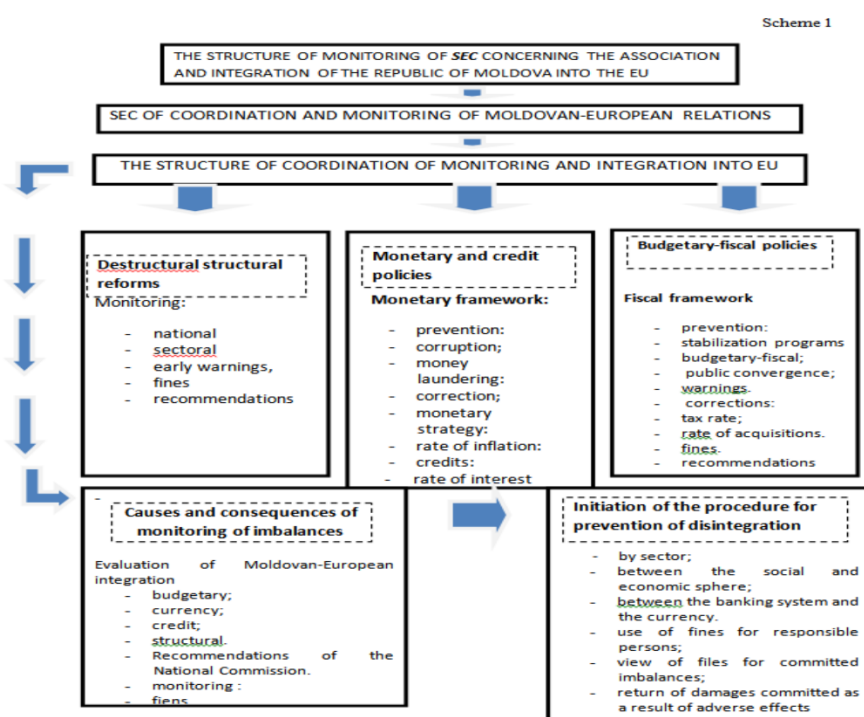
stealing billions by the oligarch power and for stopping the process of Association and integration into the EU.

Therefore, beginning with 2009, given political cover, State institutions “steamed” and imitated the fight with corruption, informing each other about the progress and combinations of monopolization, oligarhization and capture of State, about raider attacks from banking system, stealing of billions of Euros from BEM and other banks and insurance companies, but nobody could monitor and stop these disastrous processes for the country and, there were no prompt and definitive mechanisms to cease the misconduct process of governance from the vector of association and European integration, to steal further and to capture the State's economy and politics.

For stopping these fatal processes and to encourage the processes of association and European integration it is necessary in the context of the Constitutional Court, which deals with the control of carrying out legislation, monitoring, prevention, correction of imbalances, political priority between Parliament, Government and Presidency, to create a Constitutional-Economic Subdivision -- (SEC), which functions would be the monitoring and coordination in complex of the processes of deoligarhization and retaking the State. At the same time SEC will monitor and coordinate the association and European integration in conditions of economic imbalances, and, in case of deviation of power from the principles of science and economic theories and causing instability, including in Moldovan-European social-economic relations, to urgently stop such negative acts, receiving decisions of final correction. It is important that in committing the monopolism, oligarhization of imbalances, including in association relations and economic integration to the EU, people responsible to be sanctioned by the SEC and to be held liable in front of Justice for committing such imbalances and Moldavian-European decays and to repay the damages committed. For this it is necessary to perform appropriate and timely changes in legislation. Rapid changes in certain fields, in conditions of market economy, causing the deepening of imbalances in the Moldavian-European relations, permanently should be supervised and prevented by the Constitutional Economic Subdivision through accelerated and adequate changes in legislative system. The structure and functions of monitoring and coordination of the processes of association and integration to the EU and forecasting of imbalances in Moldavian-European relations and the European Constitutional Economic Subdivision are reflected in below schema. At strategic basis of governance of deoligarhization and demonopolization, of SEC for monitoring of imbalances and reductions in the Moldavian-European relations may be the modern and current economic theories and principles of Association Agreement which will take into account various types of balances, including: the doctrine and the balance of the Moldova-European markets, including financial-monetary; market balance of integration of production factors and the market of goods; integrating labor markets and their balance conditions etc. A particular attention shall be paid to the general imbalance theory and models of balance and economic integration. Within the strategy should be taken into account the general balance theories and especially the models of balance of Moldovan-European economic relations, including Walras-Wald and Arrow-Debreu-McKenzi models. SEC and governance in its activities must be lead by the fact, that in the past three decades have appeared more complex and sophisticated currents of the general imbalance that needs to be highlighted and avoided in the association and integration process of Moldavian-European relations. The contemporary neoclassical system includes different currents, starting with the current of general balance of J. Keynes, K. Arow and the monetarist current represented by M. Friedman and S. Fischer and ended by the rational expectations current of J. Buchanan; the “new macroeconomics”, current etc. In the context of theory and general balance policy is necessary that government and SEC to emphasize and realize, in the process of association and integration of the Republic of Moldova into the UE, the component parts of this theory and policies, such as: multiplicity of balances and problems

of balance; the elimination of restrictive hypothesis, the strategic interaction between agents; theory of games, etc. Balances or imbalances in Moldavian-European relations with impact on development and economic integration can be used by the government and SEC based on the report and deviations from optimum between the aggregate demand and aggregate supply; between the global product and monetary mass which put in motion this product, between the national expenditure and revenue.

The most significant imbalances in the national economy that is necessary to be taken into account in the process of association and Moldavian-European economic integration are the disproportions between the Moldovan currency and the necessary volume of foreign exchange reserves of the State as a result of the theft of billions of foreign currency from BEM, which has caused the essential devaluation of the Moldovan leu and decrease of purchasing power; stagnation of production and contraction of the real sector; inflation and respective, the sudden increase in the consumer price index from domestic goods, unemployment and intensive migration from the country of the labor force.



Scheme 1.

In case SEC does not monitor and does not anticipate the deformations of the Moldovan-European relations and political, legal, social abnormal and antisocial imbalances, then takes place social and political tensions (for example, social and political events of 7-8 April 2009 in the Republic of Moldova). Currently, due to monopolization, oligarhization and state capture and socio-economic instability and deviations from the association and European integration course, political tensions and contradictions between the Government and civil society have reached the apogee transforming into antagonistic contradictions. As a rule, oligarhization and state capture, socio-economic imbalances and deviation from the European vector, is characterized by forced change of state power, through the deepening of economic recession, essential increase of budgetary expenditures beyond the level of budgetary incomes that generate increasing of tax pressure over the population (e.g. the steal of billion must be paid by population, by one billion lei annually) and economic agents, extending the monetary mission without coverage, inflation, decrease in consumer purchasing power and respective the decrease of consumption. In this case takes place the labor market imbalance, the social instability

between supply and demand of employment and unemployment. In general takes place the institutional instability that generates imbalance in the system of implementing the European programs and allocation of funds between the central and local public institutions, increase of the level of monopolization and oligarhization of the production, trade, banking system. The SEC and the government in its activity should take into account the fact that the Moldovan-European relations imbalances and trends towards economic balance is expressed in geometric series, and in time, in relation to the levels of aggregation of the national economy; depending on the contents of economic processes and the expression of economic results. At their basis lies the deformed system of relations of production, exchange, distribution and consumption, various economic sectors and branches, operating outside the optimal system of economic and legal functioning. The government must take into account the use in its activity of the theories of economic imbalances beginning with XV century, which are very diverse and are reflected in conceptions and models of various economic schools. It is necessary to take into account, to select and implement the strategic visions of some economic currents on policies of overcoming economic imbalances and deformations in socio-economic system of Moldavian-European relations, namely: European liberal policies involving the balanced development of economy based on private property development, on mechanisms of free competition on market, policies of offer, non-interference in the private economic activity, supportive of free initiative: - policies of dirigisme or policies of balance, based on actual applications, involving indirect State intervention and emphasizing on global demands; social-democratic policy of economic balance supposing a growth mechanism based on special consumption through direct involvement in the social economic system of the elements of planning, to reduce social inequalities through advanced social protection and facilitating of social subsidies; - equitable development policies of the economic system in accordance with social policies consisting in limitation of activity and freedom of economic agents in times of overcoming of the economy, the increase of the influence and State role in the socio-economic life, limiting the speculative activity in the economy, reforming the system of distribution of budgetary revenues for vulnerable social strata.

It is also useful to consider that the theories and models in the field of reproduction of the economic balance and the development of association relations and Moldovan-European integration have evolved in time, depending on the dynamics of economic reality and the evolution of the elements of economic analysis. Here are considered the two trends of theoretical and practical opinions regarding the economic balance and the overcome of disproportions in the Moldovan-European relations. The first trend is the research of balance and short term association and on a static background of economic processes. In this context, the problems of overcoming the disproportions and integration into the EU will be reduced to the development of a competitive market and the adoption of a series of laws provided for in the Association Agreement that will solve the problems of balance, association and integration of the Republic of Moldova into the UE, and economic crises are regarded as accidental phenomena. The second trend lies in researching the problems relating to disproportions and immanent imbalances of socio-economic systems. Thus, it has emerged and developed the theory of disproportions and the socio-economic imbalances as an alternative to the theory of economic balance. Above the salt of SEC and governance must be retrieved the concept of J.M. Keynes concerning balanced development that represents a macroeconomic model, according to which, the national income grows in response to increased equivalent of the aggregated demand. The GOVERNMENT and SEC must use the new concepts of Keynes related to the balanced development and respectively, integration into EU by stimulating the consumption and investment, dirigisme, which have played an important role in formulating the balance policies. Also, it should be taken into account that in the early' 40s, R. F. Harod, I. Essay and E. Domar have developed the Post-Keynesian models, later

characterized by a concern for economic stability and unemployment. The Harrod-Domar model is a balanced economic development model of Moldovan-European relations that highlights the role of investments seen as aggregation and as a component of the aggregate balance; incorporates an easy function for acceleration of investments based on the expected real incomes. After such model of balance and association, the capital expected coefficient (V) is constant, as a result of an assumed constant interest rate on long term; economies have a constant share (s) in real income; labor force grows with an exponential rate (n) exogenously determined; the growth rate of labor productivity, which can be effectively increased through the technical progress (λ).

By realizing the concepts of overcoming the economic crisis, the government and SEC will include in its orbits the main final objectives and ways of monitoring and realization of the integration process of the local economic system into the European by use of policy of overcoming the disproportions and balanced development. At the same time, should be taken into account the exogenous factors such as conditions of global and regional financial and economic crisis, open and competitive market, the adjustment to the EU economy and European standards. Results. The specificity of analysis of the pseudo-policy growth, the European economic association and integration focuses on the synthesis of socio-economic theories and policies, monetary, budgetary-fiscal, investment, structural, etc., implemented at the national level. The main feature of national economic system lies in oligarhization and capture of State institutions, perpetuating the association and integration of the national economy into the EU and using double standards in the achievement of the Association Agreement with the EU and the creation of a monopolist system of the market economy, the deformation of main criteria and the Moldovan-European relations of market economy at various levels of implementation. The local economic system has passed through various stages of economic growth and association and pseudo-European integration, but the most opportunistic was the stage in the period of governance of the left force/PCRM/(2001+2008) and the other (2009 + 2015)- the government of the pro-European forces with neoliberal economic and social-democratic policies. Although the growth policies on surface were diametrically opposed, for both stages of development and association with the EU, is characteristic a European economic integration based on extensive priority development, which is incompatible with the development character of the EU. Concluding from the analysis of macroeconomic indexes in these periods, including, the production function between the "labor" factor, and "capital, we find, that efforts in national economy growth and association were extensive and larger than the effects obtained. During this period, the national fixed productive capital increased by 3.8 times, labor productivity and capital increased by 3.6 times, average wages increased by 3.8 times and nominal GDP increased with slower growth and increased by 3.3 times. The diminishing of the effective workforce in the years 2000-2015 in average by 2.5% annually has essentially and negative influenced the effectiveness of development potential and economic integration into the EU. The negative migration trends, the decrease of the activity rate in economy from 60% to 40%, has "eroded" the GDP growth, from part of labor and increase of capital and productivity, because this increase priority extensive is insufficient to ensure in future a durable dynamic development, balanced and convergent towards European integration. According to the results of the analysis, we note that the specifics of the pseudo-scientific policy of development, association and European integration based on consumption, over the past decade has caused an inefficient increase in the nominal GDP by 4.5-5% annual average, using investments for quantitative replacement of the existing productive capital, possessing an essential physical and moral wear. The more rapidly increase in average salaries and fixed capital than labor productivity (average wage and productive capital grew with 7.1% respectively and 10% annual average, and labor productivity only with 5%) constrained the local

economic potential, “eroded” financial resources and collections of economic agents and population, increased economic and social disproportions in the domestic sector towards the European.

The budgetary-fiscal mechanisms made in the Republic of Moldova as component part of the pseudo-association policy and European integration during the transitional period were manifested through an inconsistent political, contradictory and ineffective character. In the years 2005-2015, the deficit of the National Public Budget has grown essential and peaked in 2015 the apogee in a volume of about 2.0 billion lei, which is 4.7% of BNP income. At the same time, because of the local economic situation and financial failure (national finances constitute one-third of GDP), the Republic of Moldova had to attract loans from foreign market, such as those provided by the IMF. Although these loans are granted to concessional repayment terms, with an interest rate up to 1% and period of grace greater than 10 years, the effect of these loans was minimum for the actual development of the economy since were imposed tough conditions and essential strict and ill-spent constraints for the need to maintain the national financial-budgetary stability. The system of constraints is expressed in restricting by limit the financial, monetary and budgetary indicators introduced by the IMF such as: a) the ceiling on total cash deficit; b) the ceiling on net assets of BNM; c) the minimum level of net international reserves stock of BNM; d) the ceiling concerning contraction or guarantee of non-concessional external debt by the Government of the Republic of Moldova; e) the ceiling concerning the accumulation of arrears in external payments; f) the ceiling on the monetary situation; g) the ceiling of internal expenditure; h) the ceiling on payroll; i) the level of social expenditure; j) the ceiling by limit of the budget deficit in percentage from GDP; k) the ceiling of the inflation level. These and other factors have resulted in the incapacity to adopt radical and effective reforms for economic growth, making effective structural changes for association and integration to the EU on medium and long term. At the same time, it has restricted the possibilities of further attracting, over ceiling, of other investment resources for real innovation in priorities and expenditure in infrastructure.

A special peculiarity of the national system of association and free trade with the EU is that this system of association and integration into the European market economy is made in conditions of an essential deficit of financial resources (the average share of bank loans into the economy for 2005-2014 accounted for about one-third of GDP) and with a considerable loss of income from economic agents and population. The situation is even more alarming if we take into account the substantial increase in interest rate and the sharp and essential decrease of the purchasing power of these resources in 2014-2015. (see the National Strategy of Development of Moldova, 2020). The situation with intermediation and financial stabilization in the 2015-2016 is even more alarming because once with the increase of interest rate essentially decreased the volume of monetary mass in economy (especially in small business system) and money does not “manage” to serve the real economic circuit of European economic integration. As a result fails the small business (in 2010-2014 went bankrupt 15.4 thousand enterprises). At the same time, increases the volume of shadow economy, resulting in favorable conditions for expanding the economic instability and reducing the real legal sector. The situation in the economy will be alarming, if we consider, that the speed of movement of money increases, and the insufficient share of money in circulation (average rate of money in circulation in 2005-2015 amounted to 13.4% in GDP), that in 2016 has a tendency of essential decrease. Only in July 2014 up to April 2015 money in circulation decreased by 2.7 billion lei and constituted to 15.4 billion lei, the monetary base decreased by 3.7 billion lei, and the rate of mandatory reserves increased by 4% (BNM data). For sustainable economic growth, real association and integration of the economy of the Republic of Moldova into the UE, we propose the immediate change of the apolitic economy, including monetary, the increase of the amount of credits in priorities within a relatively short period,

by 2.5-3.0 times, decrease of the interest rate from 18% to 2%, which will allow to increase the volume of circulating assets necessary for normal development and European integration of priority branches and increase of efficiency in economy, and respective, the increase of the real GDP and the development of Moldovan-European socio-economic relations. If this volume of credits of priorities will be covered by an increase of exchange reserves and, supported by the EU, then there will not be registered an essential increase of inflation but a considerable increase in prices. The growth of lending rate of economy, lowering the speed of rotation of money and essential increase of investments and remittances in priority branches-all in line with the reform of budgetary-fiscal policy and the business environment and institutional will create conditions to stop the economic recession, development of Moldovan-European relations and real integration of the Republic of Moldova into EU family countries. In the process of radical and accelerate changes of Moldovan-European relations will decrease the volume of exports and imports and will have as result the regional trend of reducing productivity and living standards of the population, but it will not be based on domestic factors of discouragement of domestic producers in the way express and unconscious as it is made in present time. At the same time, the forecasted results of recommendations proposed for association and European economic integration will be possible and efficient in conditions of maintaining flexible the main macroeconomic indicators, such as the consumer price index, inflation, monetary indicators, current account deficit and internal and external public debt. The stability achieved in the private sector, facilitating the regulatory mechanisms in business, increasing the volume of investments in key-sectors of the economy and de-bureaucracy of the administrative system will lead to maintaining positive trends of macroeconomic indicators and, consequently, to limit the distortions of the market and speed up the process of European integration and association.

Conclusions

The national economic policies, for overcoming the economic recession, for social-economic integration to the EU, adopted and carried out by the economic actors have proved inefficiency because they were not based on principles developed and promoted by economic and scientific currents and the Association Agreement of the Republic of Moldova with UE. Overcoming the economic recession of the Republic of Moldova, quickening the process of European economic integration and association, have revived the need of implementing certain renovation policies or correction of the negative elements created as a result of deviations from the principles of economic science, modern and current economic theories and the Association Agreement with EU.

It is found out the necessity to elaborate and adopt a Strategy for monitoring and coordinating the association and economic integration of the Republic of Moldova into the EU, anticipation of imbalances and socio-economic development, which would serve as a program to overcome the period of economic instability. This recommendation entails the assessment of conditions of economic recession and deformations of Moldovan-European relations which have led to previous economic crises, such as: adaptation of anti-crisis policies and economic integration to national socio-economic conditions; highlighting and implementation of the principles put forward by the neoclassical synthesis and neoconservative theory and by the Association Agreement with the EU as basis of the Strategy for minimizing the effects of global and regional crisis over the Republic of Moldova. It is also necessary to implement a system of actions to enhance the productive consumption, as well as attracting foreign investments in the priorities of development and integration of the economy of the country in the European economic system.

We propose that in the Constitutional Court to create a Constitutional Economic Subdivision for monitoring, coordination of association and European integration, and the anticipation of economic imbalances. Reforming of the structure and State functions, putting the main emphasis on implementing the Strategy of a medium and long term, on judiciary reform and fight against corruption, especially in the banking system, ensuring transparency and accountability towards the new structure of the State and the economy, and the new implemented procedures. At the same time, to provide confidence to population in the democratic system and its own rules, such as the right to appeal or the right to information. Carrying out the necessary reforms, definitive passing from a mixed economic system of the Moldova-European market, whose role is to promote the climate necessary for diffusion by power and development of economic agents from Moldova and the EU, and related activities. Establishing the regulatory framing which will facilitate and simplify licensing procedures, foundation and bankruptcy of enterprises; Reform of socio-economic system and its adjustment to social welfare losses through the protection of the most vulnerable people strata, at the same time, optimizing social and economic proportions of the Republic of Moldova and UE.

Creating a stable macroeconomic environment by redefining the role of government agencies who are concerned about the association and integration policy of the Republic of Moldova to the EU in the economic domain, including monetary-credit and financial in this context, granting a role for BNM to exercise independently its functions of monetary policy implementation and monitoring of foreign exchange processes. The Ministry of Economy and Ministry of Finance would be necessary to waive on granting of credits and exchange rate control. On the other hand, it would be advisable to concentrate its efforts on monitoring the imbalances in Moldovan-European relations of association and integration, monitoring and forecasting the economy, to control the effectiveness of the processes related to the budgetary expenditures and revenue, to strengthen the fiscal administration; Optimizing tax pressure and directing the budgetary-fiscal policy towards the concentration of direct allocations to the budget and decrease of different facilities of free zone and firms and subsidies for companies with inefficient activity; Creation of a modern financial system through decentralization and demonopolization of granting of credits, deoligarhization and de-raider of banking market and creating a financial transparency. In addition, commercial banks must operate on the basis of risk and profitability, taking into account the need to develop the competitiveness in the Moldovan-European system.

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