

Armenia and Europe: Can a Country Simultaneously Strengthen Autocracy, Deepen Its Ties with Russia, and Become European?

Mikhayel Hovhannisyan, Yerevan

Abstract

This article examines Armenia's efforts to balance closer integration with the EU with its ties to Russia. As Armenia moves closer to signing an Association Agreement by the end of the year, Russia is increasing pressure on the country, such as by raising natural gas prices. The West is attractive economically, while Armenia still needs Russia's help in the security sphere. The central question is how the current leadership can position itself between these two external partners while maintaining stability at home.

Background

The collapse of the centralized Soviet social, political and economic systems activated conflicts while also making the integration of former Soviet states to other frameworks such as the Council of Europe (CoE), EU, and NATO possible.

Due to the Karabakh conflict, the state of Armenia–Turkey relations, and the Diaspora, Armenia's foreign policy since its independence has been based on balancing between the major dominant powers: Russia versus the US and the EU. This balancing was official described as a “complementarity” policy in late 1990s–early 2000s by Foreign Minister Vardan Oskanian.

Armenia so far can claim to be successful in this balancing approach. Examples such as membership in the CIS, OSCE and CoE, negotiations over the Karabakh Conflict (co-chairmanship of Russia, the US and France in the OSCE Minsk Group), Armenia–Turkey relations (presence of the US Secretary of State and Russian Foreign Minister at the signing of the Zurich protocols in 2009), among others demonstrate that Armenia has successfully participated in both tracks of integration: inside the post-soviet space (CIS) and with the West. A major accomplishment in the latter direction has been participation in the European Neighborhood Policy via signing a Partnership and Cooperation Agreement with the EU (1999).

Despite these accomplishments, many perceive Armenia as a Russian “outpost” in the South Caucasus. This perception is based on a number of factors: the presence of Russia military bases in Armenia (Gyumri), Armenia's economic dependence on Russia, demonstrated by a significant number of Armenian labor migrants there as well as the remarkable economic presence of Russian capital (private as well as state-owned, like Gazprom) in Armenia in the sectors of energy, transport, telecommunications, mining and other fields of industry.

Another important, but a less obvious, illustration of Armenia's continued dependence on Russia is the lack of sustainable democracy. There has never been a clear transfer of power from one political power to another

via elections. In fact, the only transfer of political power in Armenia happened in 1998 when Levon Ter-Petrosyan was forced to resign. The perception of the society in this respect is that any claimant to the highest office has to receive “approval nod” from Russia to run for office. At the same time, the obligations of Armenia to European structures impose a need to comply with European standards. Such perceptions explain the reason why there is a wide-spread assumption, both inside and outside Armenia, that Armenia, as a strategic ally and “dependent” of Russia, will move in the direction of the West only if, and as much as, its relations with Russia are not affected because of such moves.

However, there exist facts which demonstrate that Armenia's relations with the western structures are progressing substantially rather than merely formally: Armenia joined NATO's Partnership for Peace Program in 1994; Armenia signed the Partnership and Cooperation Agreement with the EU in 1999; and Armenia became a CoE member in 2001. The average share of Armenia's imports and exports to the EU in 2008–2011 are respectively 28.5% and 48%.¹ Finally, Armenia is involved in the Eastern Partnership program since 2009, a process that contains such important integration tools as visa liberalization, a Deep and Comprehensive Free Trade Agreement and an opportunity to become a country associated with the EU: the closest possible format of integration for a non-candidate country.

Electoral Complementarity: “A Step Forward” vs. “Dobro”²

Dependence on two such major and different actors as Russia and the West makes many observers, both insiders as well as outsiders, claim that Armenia's ability to engage in sovereign action is minuscule.

The role of foreign actors in deciding who will be Armenia's president is quite significant. In the case of the West, it is most noticeably displayed post factum,

1 http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_113345.pdf

2 *Dobro* is the Russian word for getting approval.

via the reports of electoral observer missions, and particularly in the presence in these reports of such phrases as “a step forward” and “in line with standards.” These statements find a place in these reports irrespective of the empirical amount of violations and irregularities. In the case of Russia, its role is best illustrated by the pre or post-electoral visits of the incumbent or other candidates or key figures to Moscow. Those who are granted a meeting with the “tsar”³ (and, probably, negotiate with him successfully) become, obviously, the lead candidates and/or acquire *carte blanche*.

As concerns elections, the aim of the authorities has become the demonstration of full control over the whole electoral period. In addition to other means, in order to demonstrate control, the authorities exaggerate and reinforce, by all the possible means, e.g. via using the state-owned or state-influenced media (which includes most of the television spectrum—the main information source of the population), disagreements among the opposition and the lack of consolidation among the protesting electorate.

Sargsyan visited Moscow in March 2013 and received congratulations in collecting “more than 60% of the votes”.⁴ At the same time, the pre-electoral phase, starting from summer 2012, was unprecedented in terms of the number of bilateral visits between high-ranking officials from Armenia and the EU.⁵ It may be the case that the authorities are making space for action despite their dependence on Russia and the West. The size of this space may be determined by the level of control over the internal developments, and the strength of the “heavy hand” with which the population’s freedom of action, including electoral choice, is governed and regulated.

Eastern Partnership: From No Need to Balance to a Tough Geopolitical Choice?

The strategic plan of the Eastern Partnership in 2008⁶ was characterized as “an ambitious new chapter in the EU’s relations with its Eastern neighbors.”⁷ At the same time, EaP has often been characterized both by EU and partner states as something important but not sufficiently realistic because of its complexity.

However, Armenia’s participation in Eastern Partnership can be called a case of moderate success: it has

brought new energy to the prospects for future EU-Armenia relations. The visa facilitation mechanism (the agreement is already signed) and DCFTA (which is being negotiated) initiate very practical communication mechanisms connecting Armenia with the EU. Moreover, the fact that some of the other EaP states are negotiating the same benchmarks brings an edge of healthy competition to the process. Another important tool that definitely has an impact on Armenian society is the Civil Society Forum, which can be considered as the first ever institutionalized mechanism for the involvement of civil society almost as a third party in the EaP planning and, hopefully, implementation processes. Armenian authorities understand the clear necessity to integrate into Western political and economic frameworks. Via that process, they plan to tap into the resources of the EU, increase their level of soft security, and also increase their room for maneuver vis-à-vis Russia. That is why officially, all Armenian governments have expressed a constant interest towards integration with the EU in any format, and the incumbent government has become the most active proponent of such integration as compared to any previous government (of which there have been not many). Armenia has registered significant progress in negotiations over the Association Agreement, which, according to the statements of both Armenian and European officials, can be expected to be signed before the EaP summit in Vilnius in November 2013.

Not only government, but the overwhelming majority of Armenia’s political sector, all significant political forces support strengthening EU-Armenia relations, which makes this topic one of the very few that has a potential for internal political consensus. At the same time, the marginal political forces are challenging the European paradigm, emphasizing the expected onslaught on “Armenian traditions” (such as the traditional family) by the European ones (issues such as gay marriage, religious tolerance), as well as cautioning against jeopardizing relations with Russia. The 2012 Caucasus Barometer survey implemented by the Caucasus Research Resource Center illustrates that 30% trust the EU. This is more than trust towards such state institutions as the president, police, judiciary system, National Assembly, etc.⁸, though, of course, still the population’s level of knowledge and trust towards the EU is far from being comparable to the level of trust expressed by mainstream political society.

Serzh Sargsyan’s first presidential term had a significant focus on foreign policy which was used as an excuse for not prioritizing domestic issues. Two major initiatives that Armenia was involved in 2008–2009 were the

3 An example of this is the visit of Robert Kocharyan to Moscow in February 2008. The March 1st events happened immediately after his return from Moscow.

4 In his address to Sargsyan, Putin stated: “Collecting more than 60% of votes illustrates the level of trust by society”. However, the official figures show that Sargsyan collected only 59% of votes.

5 <http://news.am/eng/news/137153.html>

6 http://eeas.europa.eu/eastern/docs/sec08_2974_en.pdf

7 http://europa.eu/rapid/press-release_IP-08-1858_en.htm

8 <http://crrcam.blogspot.com/2013/03/crrc-presents-caucasus-barometer-2012.html>

Armenia–Turkey “football diplomacy” and the launch of the Eastern Partnership. Meanwhile, the world financial crisis and the problems with legitimacy because of the March 1, 2008 events generated an increasing number of domestic issues which remained unaddressed. The first Sargsyan administration did not find sufficient resources and mechanisms for effectively addressing the domestic challenges, such as the economic downturn or lack of business initiative, because of the continuing oligarchic domination of the economy and corruption. Thus, these issues remained to be addressed in the second term, particularly since the Association Agreement has become the most important game in town and, in order to be accomplished, requires serious reform.

Perhaps in order to balance out the Western tilt in going for the Football Diplomacy and Eastern Partnership, in August 2010 Armenia signed with Russia protocols on extending the term of the presence of the Russia military base in Armenia from 2020 to 2044.⁹

In the sphere of EU integration, Armenia registered significant progress in negotiations over the DCFTA and signed the visa facilitation agreement with the EU on 17 December 2012¹⁰, right before the elections. Some experts consider that via this action the Sargsyan administration acquired additional points in the eyes of the EU on its “moral right” to successfully hold on to the office after new presidential elections, because the reform is only half way through, and it is unadvisable to change the team at this point. Thus the EU turns a “blind eye” to the violations of electoral processes, claiming their scale is incomparably smaller than in some other countries of similar qualities. A similar reason might have played a role in Sargsyan’s decision to keep the new government changes to the minimum and to come back to that issue in January 2014.

Thus by the time the 2013 presidential elections approached, Armenia had deepened integration in the sphere of security with Russia and in the sphere of economic integration with the EU. Both frameworks did not have their comprehensive antipodes and thus did not require “sectoral” balancing. However, the situation may be significantly changing now, since Russia moves from institutionalized military and chaotic business presence in its “near abroad” to attempts to institutionalize its economic unification with the parts of its former empire.

The beginning of Sargsyan’s second term is marked with a slightly more prioritized discourse on internal issues, though the foreign policy agenda is also full to

the extreme. A bit of a focus on the domestic situation might be also caused by the significant transformation that took place inside Armenian society between the two presidential elections. There is a serious rise in the quantity of various civic initiatives, and the range of topics addressed by civil society is much wider than it used to be. Social media have become an important tool for social mobilization as well as the circulation of information. The “Arab spring”, the various protests in Russia, and the current situation in Turkey are watched much more attentively by the government. However, it is not currently expected that a serious and critical protest mobilization of the society will take place. At the same time, because of a long electoral period and other reasons, both the Karabakh and Armenia–Turkey issues were in their passive phases. They may become more active in a while (e.g. after the presidential elections in Azerbaijan in the Fall of 2013). It may as well be the case, according to some Armenian analysts, that the endorsement by the West of the latest Armenian presidential elections, as well as the promise of the Association Agreement, will result in increasing pressure from the West on the president to make concessions over the NK conflict. Perhaps also because of that reason, in anticipation of increasing external pressure, Sargsyan currently focuses slightly more on internal issues.

The main priority foreign policy topic remains the integration into foreign structures, i.e. improving ties with the EU, on one hand, and keeping and developing relations with Russia, via not jeopardizing chances to somehow manage and balance the idea of the Eurasia Union with the Eastern Partnership, on the other. Not surprisingly, this topic is strongly connected with the economic downturn and migration, which are two of the toughest domestic problems for Armenia.

The Association Agreement and DCFTA give Armenia an opportunity to have easier access to the Common European Market, which, given Armenia’s economic isolation, is extremely important. The Visa Facilitation and Readmission agreement is a mechanism to establish control over the migration flow. This explains the prioritization of these two components by the Armenian authorities as compared to other components of the Association Agreement. The latter relate to such issues as democracy, human rights, good governance, anti-corruption reform, etc. These are political issues with which little political progress occurs because of the problems with the electoral system, the social and economic polarization of the society, the interconnectedness of business and politics which results in the monopolization of the economy and development of oligarchy, and the centralization of the administrative resources. Therefore, from the perspective of successful reform, one issue currently

9 <http://www.mirrorspectator.com/2010/08/30/russia-extends-military-presence-in-armenia-through-2044/>

10 http://europa.eu/rapid/press-release_MEMO-13-349_en.htm

on the table is how the conditionality will work, so that progress in economic and human mobility dimensions is tallied with the progress in the political dimensions.

100 Days after the Elections: Dynamics of the European Dimension

The spring of 2013 was marked by an intensive agenda on all levels of bilateral and multilateral frameworks in the Eastern Partnership process.

Signing of the visa facilitation agreement was followed by signing the agreement on readmission between Armenia and the EU on 19 April. Parties have redoubled their efforts in negotiations over the DCFTA, holding three of the past six rounds of negotiations in the period between February and June 2013.

The Civil Society Forum level was also marked by a rich agenda conducting several meetings of all working groups in May–June 2013.

Finally, the statement on “the need for a thorough preparation through an inclusive process by the Armenian side of the donors’ conference, planned for later this year” made by Commissioner Štefan Füle following his meeting with Foreign Minister of Armenia Edward Nalbandian on 19 April 2013¹¹ is another important promise to the Armenian authorities, increasing the importance of showing progress in line with the “more for more” principle that is constantly repeated by various EU officials.

The EU, for its part, is intensifying its work via a variety of initiatives, such as visits, consultations with the government and civil society, launch of several projects, and is doing everything to finish the negotiation process with Armenia and to sign the documents by the launch of the Vilnius Summit in November.

This intensity can explain Russia’s growing pressure on Armenia. While the Russia-proposed Eurasia Union still lacks any substantial roadmap, signing the Customs Agreement that has already been signed between Russia, Belarus and Kazakhstan can be the first sign that Armenia starts an irreversible U-turn away from EU towards the final embrace of Russia.

On 31 May 2013 during his meeting with Dmitri Medvedev, Prime Minister Tigran Sargsyan stated that Armenia had a clear position and was ready to join the Customs Union.¹² This statement contradicted the statement that the prime minister made a year ago in his interview with the Russian newspaper “Kommersant.”¹³

This indication of a possible shift of Armenia’s course has raised the EU’s concerns. Sargsyan’s May statement

was followed by an interview of Commissioner Füle’s spokesmen Peter Stano to the Armenian service of RFE/RL in which he particularly said: “Armenia’s status of an observer in the Russia-initiated Eurasian Union does not conflict with EU talks, but official Brussels would like to learn the details... Armenia should make sure that any arrangements with any other trade partners are fully compatible with DCFTA provisions.”¹⁴

The Russian pressure became more visible when, immediately after the Yerevan City Council Elections held on May 5, the Armenian government announced an unexpectedly significant increase in prices for gas sold to Armenia by ArmRosGazprom, mainly owned by Russian Gazprom.¹⁵

Another episode that illustrates the increasing pressure was the information about the deal worth 1 billion USD on armaments’ purchase by Azerbaijan from Russia, announced on June 18.¹⁶

The warnings from Russia came in the traditional areas of Russian influence: security and Russia’s economic presence in Armenia. In addition, there are rumors of another type of pressure targeting Armenian labor migrants working in Russia and the possibility of establishing a visa regime. If this happens, the picture will be full and will mean that Russia is using its whole arsenal of “soft” measures to prevent Armenia from progressing toward European Integration.

A comparison with pre-2008 Georgia can be made. Then too, under the pretext of Georgia’s declared readiness to join NATO and the EU, Russia severed economic ties and afterwards moved to ousting Georgian guest workers and severing diplomatic ties. The eventual result was the Russia–Georgia–South Ossetia war. However, the case of Armenia is different: Armenia and Russia have several times declared that they are strategic allies; Armenia is not planning to join either NATO or the EU, but merely approximating within a quite benign Eastern Partnership strategy, which is even considered not that much of an important priority on EU’s agenda today by many EU states. If these mild geopolitical changes generate a full-fledged Russian reaction, this will mean a deep change in the regional geopolitical balance established since 1994, when the Karabakh war ended. This balance was shaken in 2008, but didn’t really collapse.

It is also important to watch a similar, but strategically even more important for the EU and Russia triangle—that of Ukraine, Russia and the EU. However, it is not excluded that Russia may regard Armenia, as the

11 http://europa.eu/rapid/press-release_MEMO-13-350_en.htm#PR_metaPressRelease_bottom

12 <http://news.am/rus/news/156090.html>

13 <http://www.kommersant.ru/doc-y/1908052>

14 <http://www.azatutyun.am/content/article/25009494.html>

15 http://www.armenianow.com/economy/46978/armenia_russia_gazprom_natural_gas

16 <http://www.reuters.com/article/2013/06/18/us-russia-azerbaijan-arms-idUSBRE95H0KM20130618>

weaker and more dependent actor, as the test ground before going full-scale after Ukraine. Or, to the contrary, given that Ukraine is more difficult to influence because of its size and strength, Armenia may be regarded by some in Russia as the minimal level of success, which can be presented as a “consolation price” if Ukraine is “lost to the Eastern Partnership”.

While increasing its pressure, Russia should also be cautious of not jeopardizing its relations with Armenia to such an extent that the latter, indeed, will turn its back to Russia, accept the cost and go fully towards the West, the way Georgia did. In this context, it is also important to watch Georgia, which is making cautious attempts of rapprochement with Russia. Are there really chances to change the chess-like alliance situation in the South Caucasus, traditionally in place since the collapse of the USSR, whereby every two allies are territorially separated by an actor which is an ally with the foes of these two allies?

It seems that this time the EU is also inclined to take the rapprochement with Armenia seriously, which is clearly visible by the unprecedented statements made by different officials representing the EU or its member states¹⁷ and the intensiveness of holding negotiation rounds, meetings and other activities aiming to prepare everything on time before the Vilnius summit.

The success of the process, in addition to EU’s determination and decisiveness, may depend on the Armenian authorities’ ability to convince Russia that the two integration processes can indeed be combined, which may require statements that rhetorically emphasize the seeming preference for the Eurasia Union but are also diplomatically balanced with statements and actions of deepening the Association Agreement processes. If this approach is successful, there will be a certain point where the additional pressure will not make any more sense for Russia, and Russia will have to use other tools to keep its influence in Armenia. These tools may vary from radical steps like escalation on the Armenia–Azerbaijan border to soft measures targeting new pro-Russian political actors in Armenia, or even providing Armenia with budgetary assistance, new investments, etc.

It is important to keep the two separate tracks as distant as possible from each other, doing everything for securing smooth progress toward an Association Agreement, especially taking into account that it is not clear yet how much energy Russia will put into Putin’s idea of resurrecting the USSR with a questionably free market economy.

About the Author

Mikhyael Hovhannisyán (Ph.D.) is a specialist in Arabic and European studies and a civic activist. He works with Eurasia Partnership Foundation and Secretariat of the Armenian National Platform of Civil Society Forum.

17 Polish President Komarowski during his meeting with Sargsyan in Poland on June 26th stated “It’s impossible to be a part of two different economic spheres at the same time, you have to choose one,” <http://www.wbj.pl/article-63168-armenian-president-wants-close-ties-with-both-russia-and-eu.html>