

Armenia Before and After Vilnius

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Abstract

This article is an attempt to evaluate the situation and perspectives of further development for EU–Armenia relations after Armenia’s step back in signing the Association Agreement. The Vilnius Summit did not indicate any specific format of relations while the negotiations on Armenia’s joining the Russia-led Customs Union are progressing. The “security issue” is articulated as the major reason for Armenia’s U-turn. Is this the end of Armenia’s foreign policy of complementarity, and what will follow these developments?

Background

In May 2009 Armenia, along with 5 other post-Soviet states: Georgia, Moldova, Ukraine, Azerbaijan and Belarus, became part of the Eastern Partnership (EaP) initiated by the EU as a new mechanism for building relations with its Eastern Neighborhood. The major deliverable within the framework of the EaP was the initialing and signing of Association Agreements with Georgia, Moldova, Ukraine and Armenia that would become a closer format of cooperation and integration between the two sides. The Association Agreements consist of three thematic parts, Political, Sectoral, and the Deep and Comprehensive Free Trade Agreement (DCFTA), which would allow the four states to have the closest possible cooperation framework for non-candidate states, as well as receive access to the internal European market.

By signing these agreements, the EaP member states would become an integrated part of the European political and economic system with a much clearer perspective of membership in the EU in the future.

The whole period between 2009 and 2013 was dedicated to detailed negotiations over the texts of the Agreement. In early 2013 the pressure from Russia, which is currently in the process of forming its own Customs Union integration framework, on Armenia, Moldova and Ukraine started to grow. The tools that Russia started to use for all three countries are more or less the same, taking into account the energy dependence and strong economic ties of all three states with Russia.

In September the pressure produced its first result. Armenian President Serzh Sargsyan, during his visit to Moscow, announced that Armenia is going to join the Customs Union, which meant that the initialing of the Association Agreement with the EU planned for the November EaP Summit in Vilnius could no longer take place.

Armenia’s U-turn was followed by Ukraine’s announcement that it had decided to postpone the signing of its Association Agreement as well.

Russia’s pressure resulted in the initialing of two Association Agreements, with Moldova and Georgia

respectively, instead of the planned three, plus the signing with Ukraine.

This situation requires a thorough analysis of the further steps to be implemented by both the EU and the failed Eastern Partners to formulate a new agenda for building relations.

Armenia After Vilnius: Is the Complementarity Over?

The Vilnius summit for Armenia ended two months before it actually took place. Armenian President Sargsyan surprisingly announced Armenia’s decision to join the Customs Union with Russia, Belarus and Kazakhstan,¹ which meant that the initialing of the Association Agreement between Armenia and the EU in Vilnius became impossible.

Interestingly, the announcement was made during Sargsyan’s visit to Moscow, hours after the head of the parliamentary fraction of the ruling Republican Party stated that there is nothing that stands between Armenia and the Association Agreement². This inconvenience, however, does not necessarily mean that Sargsyan’s colleagues from the Republican Party did not know what is going to happen in Moscow. The key component of the related statements from Armenian officials after September 3rd was the point that Armenia has been talking about the “and-and” principle and rejecting the “either-or” principle, stating that the Association Agreement and the Customs Union are compatible.

After Moscow—Before Vilnius

The internal reaction in Armenia after Sargsyan’s announcement was mostly suppressed, which was mainly connected with the fact that this decision is a security measure related to the Karabakh Conflict and Russia’s role as a security guarantee is becoming more important for Armenia. This practice of using “security” for silencing all kinds of other issues is one of the

1 <<http://armenpress.am/eng/news/731583/>>

2 <<http://www.azatutyun.am/content/article/25094081.html>> in Armenian

favorite tricks of the Armenian authorities and, in fact, of any political leader in the midst of a conflict. The only centralized institutional complaint over the content of the decision was made by the Armenian Platform of the Eastern Partnership Civil Society Forum; the overwhelming majority of other negative reactions were mainly related to the form of the decision, in the sense of transparency and legitimacy.

This reaction indicates that the perception of the role of Russia as a security grantor for Armenia is extremely high in Armenian society, while all the issues related to the evaluation of processes inside and around Armenia are primarily connected with the low capacity of the Armenian authorities.

The second point is also important since the statement on security that has started to circulate after September 3 led to the question: “Whose security?” i.e. the security of the state or the security of the authorities. Thus the opinions about Armenia’s joining one or another integration format become secondary to the mechanisms of the decision-making.

In general, the decision on joining the Customs Union can be considered to be the result of Russia’s pressure via three major topics: the Nagorno-Karabakh conflict, the economic presence of Russia in Armenia, and Armenian labor migrants in Russia. Thus the “benefits” of Armenia as they are introduced by the ruling party are related respectively to gas prices, new military agreements between Armenia and Russia, and a decrease on the pressure applied to Armenian migrants in Russia.

The whole period between September 3rd and the Vilnius summit was a period of brainstorming for the Europeans on how to formulate the further format of relations with Armenia in light of the U-turn, i. e. what shall be written in the declaration of the Vilnius Summit on Armenia?

For this reason there were visits of various European envoys to Armenia to discuss the issue with the authorities, opposition and civil society, as well as different consultations inside the EU.

The Silent Presence, or What Happens in Vilnius Stays in Vilnius

Armenia’s participation in the Vilnius summit can be characterized as silent both in the sense of the Armenian president’s behavior and the statements of the European officials. This of course can be explained by the Ukrainian events that have gained the full attention of the European community. However, due to the fact that the joint declaration of the Vilnius Summit does not contain any exact information about the further steps on forming the new agenda of relations between Armenia and the EU, it can be concluded that the vis-

its of EU officials, internal consultations and consultations with Armenian partners did not result in any significant decision on what is going to be the future of Armenia–EU relations.

The Vilnius declaration paragraph dedicated to Armenia says:

“The EU and Armenia have today reconfirmed their commitment to further develop and strengthen their cooperation in all areas of mutual interest within the Eastern Partnership framework, stressing the importance of reviewing and updating the existing basis of their relations. In the framework of the European Neighbourhood Policy and the Eastern Partnership, the Summit participants reaffirm the sovereign right of each partner freely to choose the level of ambition and the goals to which it aspires in its relations with the European Union.³”

It can be supposed though that the EU has decided to observe the further development of the situation around Armenia’s negotiations to join the Customs Union and will not initiate any global projects with Armenia before the situation is clarified. This is also due to several pre-suppositions that the EU might have, namely that Armenia has many obstacles in joining the CU (no common border, membership in the WTO, the status of Nagorno-Karabakh, etc.), as well as the fact that the Customs Union has not fully established itself yet and it is not clear whether it will.

Life After Vilnius

The Vilnius summit was followed by the visit of Russian President Vladimir Putin to Armenia, which was accompanied by protest actions organized by representatives of Armenian civil society⁴.

It is remarkable that Putin started his visit in Gyumri, the second largest city of Armenia, where he took part in a Russian–Armenian forum as well as visited the 102th Russian Military base. The visit of the Russian President in that respect looked quite “domestic” and was perceived as a pretentious display of ownership over the post-Soviet territory.

In light of the uprising against Ukrainian President Victor Yanukovich’s step back from signing the Association Agreement, which was taking place simultaneously with Putin’s visit, it is hard to say whether the statements of Putin in Armenia were addressed more to Armenia or Ukraine.

3 <http://static.eu2013.lt/uploads/documents/Programos_12/131129%20Vilnius%20Summit%20Declaration.pdf>

4 <<http://www.reuters.com/article/2013/12/02/us-armenia-russia-idUSBRE9B10FM20131202>>

In fact the visit of the Russian president to Armenia was a demonstration to all the EaP countries of both the negative consequences they would face in distancing themselves from Russia and the benefits of cooperation. In Gyumri during his joint press-conference with Sargsyan, Putin announced that Russia will unilaterally provide some privileges for Armenia. Particularly, Armenia can purchase armaments from Russia at domestic prices, as well as Russia will exempt Armenia from the 30% export customs duty envisaged by the law⁵.

Later it appeared that in addition to rejecting the Association Agreement, Armenia paid an additional price for those “benefits” by giving additional space for the dislocation of Russian military troops, as well as Russia acquiring the remaining 20% of Armenian shares from ArmRosGazprom as payment for a suddenly appearing state debt of \$155 million.

The Armenian side is currently using all available resources to speed up negotiations with the Customs Union and it is expected that in several months all the documents will be ready.

Does this drastic change mean the end of complementarity in Armenia’s foreign policy? This, perhaps, is one of the central questions of recent developments.

This question has multiple answers since it must be observed in long and short term perspectives.

In the short term, Armenia’s integration with Russia should be viewed in light of the Karabakh Conflict

and Turkish–Armenian relations. Integration to the EU does not offer any security systems equal to the Collective Security Treaty Organization. In other words, the unstable situation and the absence of any effective roadmap of normalization of Armenia’s relations with Azerbaijan and Turkey combined with the current Armenian authorities’ reliance on the security agencies, predetermine a more pro-Russian direction.

This means that for the near future Armenia–EU relations will follow the logic of the pre-EaP framework with more focused sectoral cooperation that will certainly lack an overall strategic approach.

Meanwhile, the Russia-led Customs Union does not provide sustainable social and economic development mechanisms equal to those provided by the EU. Thus, in terms of its long-term development, Armenia will have to integrate to Europe.

Armenia–CU(Russia) relations will probably experience a short but significant boost, which will gradually decrease. In this respect, many things depend on the situation inside Russia, first of all, economic development. The dependence of the Russian economy on energy resources may cause a dramatic collapse in case the oil price drops, which seems likely based on several assumptions related to the situation around Iran, current US foreign policy, and other factors.

About the Author

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5 <<http://www.neurope.eu/article/russia-supply-armenia-gas-low-prices>>