

ECEAP analysis: Outcome of the Armenia's Velvet Revolution

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Abstract

The peaceful change of government in Armenia, called by its organizers the Velvet Revolution, and directed against authoritarian tendencies and widespread corruption took place in April and May of 2018. As a result of the growing massive protest movement the new pro-democratic Government was formed in May 2018, led by Prime Minister Nikol Pashinyan. As a result of the Velvet Revolution, Armenia has taken important steps establishing more democratic and rule of law based society. However, due to uncertain position of the new Government, the progress and enforcing Government's decisions are dependent on the approval of opposition majority controlled parliament; it is not yet certain how permanent these changes are. Decision point here is the new Government's ability to call new parliamentary elections during the second half of 2018 and to achieve electorate's support for its reform program. While Government is promising sweeping pro democratic reforms in Armenian domestic politics, the foreign policy priorities of Armenia remain the same as before – the close relations with Russia are of primary importance, because of the geopolitical constraints (the frozen conflict over Nagorno-Karabakh). However, the new Government could be expected to establish closer ties also with EU and USA, as it has stressed the importance of building better relations with Western countries. The EU Eastern Partnership format and especially the new Comprehensive and Enhanced Partnership Agreement (CEPA) provides excellent platform for deepening of Armenian cooperation with the European Union.

The Course of the Velvet Revolution

The peaceful change of government in Armenia, called by its organizers the Velvet Revolution, started with protests against authoritarian tendencies and widespread corruption and was initiated by an opposition politician Nikol Pashinyan. Nikol Pashinyan's protest march started on 31 March 2018 from Armenia's second biggest city Gyumri. In the beginning only a couple of dozen people joined him, and they were mainly journalists. By the time the march led by MP and ex-journalist had reached the capital Yerevan on 13 April, thousands more had joined his movement.

The protests and marches took place initially in response to outgoing Armenia's President Serzh Sargsyan's intention to continue in power as Prime Minister and later against the Republican Party-controlled government in general. As result of the constitutional reforms of 2015 – which shifted the country from a presidential to a parliamentary system – it was possible for Sargsyan to hold onto power as head of the government for an indefinite period once his presidential mandate expired in 2018. On 17 April 2018, eight days after Sargsyan's two-term presidency ended, the parliament that was controlled by the ruling Republican Party elected him to Prime Minister.

As protests widened Sargsyan opened talks with protest leader Pashinyan. On 22 April Nikol Pashinyan was detained after talks collapsed. But protests continued to widen and on 23 April Nikol Pashinyan was released and Serzh Sargsyan resigned. Deciding moment for Sargsyan decision seems to have been the fact that great numbers of soldiers joined peaceful protests. On 27 April parliament appointed new acting Prime Minister, Karen Karapetyan, who rejected new talks with opposition due to his refusal to accept preconditions laid down by Pashinyan. As a result the protests continued and Karapetyan also resigned.

Pashinyan then stated that the Republican Party has no right to hold power in Armenia, and that the "people's candidate" should be appointed Prime Minister prior the parliamentary elections. However, the sum of the places in parliament of Yelq group led by Pashinyan, and the supporting parties, the Armenian Revolutionary Federation and the Tsarukyan Bloc, was only 47. Because of this situation there was a need for some of supporting votes of the Republican Party members of parliament to reach the 53 votes necessary for Pashinyan's election as Prime Minister. On 29 April ruling Republican Party stated it will not pick a new candidate to challenge opposition leader, but on vote on 1 May it refused to back Nikol Pashinyan to post of Prime Minister.

Ultimately, being unable to further endure the pressure from the streets or reading the political process well and realizing that if Pashinyan did not get elected, an early election would come to the fore and this would make it possible to lose their majority in the parliament, the Republican Party stated that some of its own members of parliament will vote for Pashinyan to become Prime Minister. On May 8 Parliament again had a vote on a new Prime Minister, and again Nikol Pashinyan was the only candidate. This time the majority of Republican Party members gave Pashinyan enough votes to win with a 59–42 margin in the parliament with 105 seats.¹ However, all the votes against Pashinyan still came from the ruling party.

¹ Armenian Protest Leader Formally Appointed Prime Minister. – RFE/RL's Armenian Service, 08.05. 2018
<https://www.rferl.org/a/armenian-protest-leader-pashinian-gets-second-chance-prime-minister-parliamentary-vote-may-8/29214380.html>

The New Political Situation in Armenia

As a result of Velvet Revolution, Armenia now has Prime Minister representing small opposition group (his Civil Contract party which being part of) Yelq Coalition, which is supported by Tsarukyan alliance and the Armenian Revolutionary Federation. It has to govern with the tacit support of the majority holding Republican Party, which is now formally in opposition. This makes the position of new minority Government precarious, as all its proposed reforms have to achieve support of the opposition party. Republican Party holds majority of seats in Armenian Parliament as result of 2017 parliamentary elections, more than all other parties combined.²

Parties / Blocs	Places
Republican Party (RPA)	58
Tsarukyan Bloc	31
Yelq	9
ARF (Armenian Revolutionary Federation)	7
Total	105

The RPA had succeeded in receiving societal support (whether as result of election fraud as Pashinyan has pointed out or not) that had increased for many years and that has been substantial. For example one could observe continued support for RPA from results of the parliament elections take took place in Armenia 1999–2017.³

Party/ Coalition	1999 Parliament Election	2003 Parliament Election	2007 Parliament Election	2012 Parliament Election	2017 Parliament Election
Republican Party (RPA)	41.3% (RPA + People's Party)	23.66%	33.91%	44.0%	49.19%
PAP (Tsarukyan alliance)	-	-	15.13%	30.12%	27.36%
Yelq	-	-	-	-	7.78%
ANC	-	-	-	7.08%	-
Rule of Law Party (RLP)	5.3%	13.71%	7.05%	5.51%	-
ARF	7.8%	11.45%	13.16%	5.67%	6.68%
Legacy Party	-	-	6%	5.76%	-

²Turgut Kerem Tuncel, An Analysis of the Politics in Armenia After the "Velvet Revolution". – AVIM Centre for Eurasian Studies, 01.06.2018 <http://avim.org.tr/en/Analiz/AN-ANALYSIS-OF-THE-POLITICS-IN-ARMENIA-AFTER-THE-VELVET-REVOLUTION>

³Turgut Kerem Tuncel, An Analysis of the Politics in Armenia After the "Velvet Revolution". – AVIM Centre for Eurasian Studies, 01.06.2018 <http://avim.org.tr/en/Analiz/AN-ANALYSIS-OF-THE-POLITICS-IN-ARMENIA-AFTER-THE-VELVET-REVOLUTION>

It has been pointed out by the European Policy Centre's analysts Amanda Paul and Dennis Sammut that the Velvet Revolution has created huge expectations.⁴ But Pashinyan's ability to deliver remains constrained by a need to secure a popular mandate – not through the streets but the ballot box, and by Armenia's complicated military and strategic relationship with its neighbors. Time is not on Pashinyan's side, and there are some political forces in Armenia that see him as a temporary inconvenience. Pashinyan seems to understand, that what the people want first and foremost is a fresh start, a better quality of life and justice against those who have pillaged Armenia since independence. Foreign and defense policy hardly featured as a theme during the street uprisings. Top priorities include cracking down on corruption, rooting out the deeply entrenched oligarchic system, transitional justice and “finding the stolen money”. As Pashinyan does not have a majority in Parliament, building a broad and robust political coalition is paramount.⁵

Only time will show, whether, as a result of the Velvet Revolution the political support for the different political parties will shift towards pro-democracy forces. It is however clear, that it is in the interest of Pashinyan and his supporters to conduct early parliamentary elections before the public support for his cause will diminish as result of carrying the responsibility of everyday decisions, what cannot satisfy everyone. However, as mentioned before, also the decision to conduct early elections depends on support of the Republican Party, which holds majority in parliament and could oppose the decision, because it could fear losing its majority in parliament. This means that the second half of 2018 will probably be high tension period in Armenian politics.

The Composition of New Government

Armenian President Armen Sarkissian formally appointed newly elected Prime Minister Nikol Pashinyan's cabinet on 12 May 2018, which included 17 ministers and three deputy prime ministers.⁶ The members of the new cabinet include several new faces and only four members who held high-ranking positions in Armenia's previous government. The second largest force in Armenia's National Assembly – the Tsarukyan alliance – is represented with three ministers. The Armenian Revolutionary Federation (ARF), which pulled out of the coalition with the ruling Republican Party (RPA) on April 25, will also be represented in the new cabinet with two ministers. One of the three deputy prime ministers is a member of Tsarukyan's alliance. The two other deputy prime ministers are senior members of Pashinyan's Civil Contract party.

⁴Amanda Paul, Dennis Sammut, Armenia's “Velvet Revolution”: Time is Pashinyan's worst enemy. – European Policy Centre, 30.05.2018 http://www.epc.eu/pub_details.php?cat_id=4&pub_id=8568

⁵Amanda Paul, Dennis Sammut, Armenia's “Velvet Revolution”: Time is Pashinyan's worst enemy. – European Policy Centre, 30.05.2018 http://www.epc.eu/pub_details.php?cat_id=4&pub_id=8568

⁶After the Appointment of His New Cabinet, Pashinyan Heads to Sochi and Meets Putin. – The Armenian Weekly, 14.05.2018 <https://armenianweekly.com/2018/05/14/new-armenia-new-cabinet/>

The important Foreign and Defence Ministries are led by technocrat Ministers without party allegiance.⁷ The country's Ministry of Foreign Affairs is headed by Armenia's former United Nation's Ambassador and career diplomat Zohrab Mnatsakanyan. Mnatsakanyan was one of the key negotiators of the Comprehensive and Enhanced Partnership Agreement (CEPA), signed between Armenia and the European Union in November 2017. Davit Tonoyan, who had been serving as Acting Minister of Emergency Affairs, became Defense Minister. Tonoyan, has served earlier as Deputy Defense Minister between 2010 and 2016 and the head of the ministry's Department of Defense Policy prior to that.

The Programme of the New Government

New Prime Minister Nikol Pashinyan delivered speech introducing the Government Program to the National Assembly of the Republic of Armenia on June 7, 2018.⁸ He presented the following main priorities for the new Government:

- Formation of the government through free expression of people's will;
- National unity and civic solidarity based on the rule of law and the equality of all and everyone before the law.
- Achieving external and internal security in the Republic of Armenia, as well as increased security level for Armenia and Artsakh (Nagorno-Karabakh);
- Public disavowal of corruption as a means for building a corruption-free society, separation of politics and business;
- Protection of human rights and creation of favorable conditions for our citizens' creativity, dignity and happiness;
- Disintegration of monopolies, protection of economic competition, provision of real opportunities for economic activity;
- Inclusive growth in the economy, creation of jobs, eradication of poverty;
- Continued increase in the level of education and social security;
- Ruling out any instances of mass violence and establishment of a violence-free society;
- Environmental protection and reasonable use of natural resources.

⁷ After the Appointment of His New Cabinet, Pashinyan Heads to Sochi and Meets Putin. – The Armenian Weekly, 14.05.2018 <https://armenianweekly.com/2018/05/14/new-armenia-new-cabinet/>

⁸ Speech delivered by Prime Minister Nikol Pashinyan while introducing the Government Program to the National Assembly of the Republic of Armenia, 07.06.2018 <http://www.primeminister.am/en/statements-and-messages/item/2018/06/07/Nikol-Pashinyan-Speech-National-Assembly/>

Domestic Policy Priorities

In his speech⁹ Pashinyan first concentrated on instances of election fraud in past and measures to be taken to avoid election fraud in future. Pashinyan said that the results of all parliamentary and presidential elections that have been held since Armenia's independence were falsified, except for the 1991 presidential and 1999 parliamentary elections. And the main instruments for falsifying the results of the parliamentary elections by 2017 were threats, administrative levers, physical violence, and ballot stuffing. Law enforcement agencies, who not only did not properly examine, but also concealed electoral offenses, became anti-legal bodies. The aforementioned process led to the fact that Armenia has acted as a "*State outside the State*". A class of electoral fraudulent beneficiaries, including their judicial system and the state government sponsoring them, has been formed, which was out of the law and the laws of Armenia needed only to control, prosecute, and kneel on political opponents and uncontrolled elements, because these laws they did not spread, they had lived by completely different, unwritten laws.

Pashinyan stressed¹⁰ that the new Government's most important task is to hold snap parliamentary elections in Armenia and the main goal of these elections should be the mechanism of free, fair and transparent elections to be returned to the people and to make this act unbearable. The elections should be held in Armenia within a year and it will not only give an opportunity to substantially improve the electoral system, but also to other political forces, for whom the change of power was a surprise and unexpected, to get out of the panic and see some electoral preparations. In addition, this schedule will allow the citizens to make informed choices, based on the achievements of the current government and the ruling team. The government is going to make serious changes to the Electoral Code, and these changes will comply with the wishes of the citizens of Armenia in order to guarantee the legitimacy and transparency of elections. The government intends to set up a working group to deal with this issue, in which all parliamentary factions, civil society representatives, and representatives of extra-parliamentary forces will be invited.

Secondly, Pashinyan pointed out the unhealthy links between political and economic sphere in Armenia. He stated, that economic monopolies were established in Armenia, the only purpose of which was the accumulation of money and capital necessary for the reproduction of the power by these mechanisms. And under these conditions, the government had to maintain and protect monopolies by all possible means to prevent

⁹Speech delivered by Prime Minister Nikol Pashinyan while introducing the Government Program to the National Assembly of the Republic of Armenia, 07.06.2018 <http://www.primeminister.am/en/statements-and-messages/item/2018/06/07/Nikol-Pashinyan-Speech-National-Assembly/>

¹⁰Speech delivered by Prime Minister Nikol Pashinyan while introducing the Government Program to the National Assembly of the Republic of Armenia, 07.06.2018 <http://www.primeminister.am/en/statements-and-messages/item/2018/06/07/Nikol-Pashinyan-Speech-National-Assembly/>

the decentralization of money, that is, to lose control of money. New Government intends to bring change to this situation. Pashinyan stressed that in future there will be no places to privileges and corruption in Armenia. The law will work equally with all, including the representatives of the country's supreme power and members of their families. He did bring as example the fact that his son will be serving in army. The new Government will eradicate corruption and corruption-making mechanisms. And substantially increase the state revenues and strengthen country's financial system, and substantially reduce shadow economy and recover economic relations. Government will dismantle the artificial economic monopolies. Government will create equal economic opportunities for all; all will be taxed the same way and with the same law. The tax code reforms, the simplification and simplification of its implementation are among priorities because the Tax Code has really created many complications and confusion, the aim of which is to create unlimited opportunities for corruption again and again, and we must liberate businessmen from tax pockets ahead of time. The National Security Service to set up an investment protection division and a NSS officer will be attached to each large investor who will be responsible for giving prompt response to all investor alerts and dealing with their concerns. With these actions, Government will provide a favorable investment climate.

Foreign Policy Priorities

Regarding foreign policy Pashinyan said in his speech¹¹ that it should be aimed at implementing the logic of Article 13 of the Armenian Constitution, which states: "The foreign policy of the Republic of Armenia is carried out on the basis of international law to establish good-neighborly, mutually beneficial relations with all States." The main goal of Armenian foreign policy is to protect country's sovereignty and security, serve the national interests of our country.

Pashinyan also stated that there should be no reverse in Armenia's foreign policy. Armenia will continue to be a member of the Eurasian Economic Union, Armenia will continue to be a member of the Collective Security Treaty Organization and new Governments task will be to increase the effectiveness of our membership of these organizations. Pashinyan pointed out that in attendance of the EAEU Summit in Sochi, he made sure that all EAEU-member countries and the CSTO-member States were pursuing the same objective, which provides a good basis for building stronger and closer ties with our EAEU partners as part of bilateral relations. It is very important for Armenia to develop strategic relations allied partnership in various spheres with the Russian Federation, considering it among our top priorities. Armenia-Russia relations

¹¹ Speech delivered by Prime Minister Nikol Pashinyan while introducing the Government Program to the National Assembly of the Republic of Armenia, 07.06.2018 <http://www.primeminister.am/en/statements-and-messages/item/2018/06/07/Nikol-Pashinyan-Speech-National-Assembly/>

should be based on friendship, equality and the reciprocated willingness to deal with all issues jointly. The Government considers military cooperation with the Russian Federation as an important constituent of Armenia's security system.

As second priority Armenia should seriously work towards promoting multifaceted friendly ties of partnership with the United States of America. The Government is committed to deepening cooperation with the United States to support the development and reform agenda of Armenia. Armenia will also closely cooperate with the European Union in implementing the Comprehensive and Enhanced Partnership Agreement and liberalizing EU visas for Armenian citizens. Deepening cooperation with European countries is one of the most important directions of our government's foreign policy.

Armenia also must make serious efforts to develop such special relationships with Iran and Georgia as are inherent in closely cooperating neighboring nations and which should be free from geopolitical influences. Armenia will attach special importance to relations with China and believe that China's activeness in region can give fresh impetus and content to the cooperation between Armenia, Iran and Georgia.

Eastern or Western Integration in Future Armenian Foreign Policy

The dominating foreign and security policy issue for Armenia is unsolved Nagorno-Karabakh conflict and its confrontation with Azerbaijan over it. In this frozen conflict, the Armenia has so far find only ally in Russia, as the international efforts to solve conflict through Minsk process have not given satisfactory results from Armenian point of view. This helps to explain why Armenian foreign policy lines have stayed same notwithstanding the changes in the government.

The prime example is the change of Pashinyan's Yelq Coalition's foreign policy position concerning the question of East or West orientated integration. The change is in the difference of the position now when it is in power compared to its earlier position's while being in opposition. Only a less than year ago, in September 2017, the Yelq coalition formally unveiled the declaration¹² that noted that since Armenia joined the Eurasian Economic Union about three years ago, its economy has suffered and Russia has continued to sell weapons to its foe, Azerbaijan. It also stated that the membership in the Eurasian Economic Union prevented Armenia from pursuing its own trade deals with neighbors Georgia and Iran. The declaration noted that taking that into account, the Republic of Armenia should begin to take a political course toward secession from the Eurasian Economic Union. Yelq stated that doing so would allow Armenia to resume negotiations with the European Union over the Deep and Comprehensive Free

¹²Joshua Kucera, Armenia Debates Leaving the Eurasian Union. – Eurasianet, 13.09.2017 <https://eurasianet.org/s/armenia-debates-leaving-the-eurasian-union>

Trade Agreement. In so doing Yelq contradicted the line taken by President Serzh Sargsyan who abruptly decided to drop out of the EU Association Agreement talks four years earlier and announced that the country should instead pursue Eurasian Economic Union membership.

But when becoming Prime Minister, Pashinyan was in hurry to take more Russia minded position. Already on 14 May 2018, while meeting Russian President Vladimir Putin in Sochi in the framework of the session of the Eurasian Supreme Council, Pashinyan stated¹³ that, there is a consensus in Armenia that no one has ever questioned the strategic importance of the Armenian-Russian relations, and it will not be questioned ahead. He stated that new Armenian Government is firmly determined and full of energy to give new impetus to the relationships in the political and trade-economic spheres, and also hopes to develop relations in the military-technical sphere and in other areas. He also stated that the new Armenian Government highly appreciates Russia's balanced position during Armenia's internal political crisis considering it a very constructive position that is highly appreciated not only by government, but also by the Armenian society.

Putin from his behalf stated¹⁴ that Armenia is a close partner and ally for Russia in the region in terms of both economic cooperation and security. To point out the importance of Russian and Eurasian Economic Union's connection to Armenia, Putin stated, that Russia remains a leading trade and economic partner for Armenia, with a share of about 40% investments in Armenia's economy. Recently, there had been a 25% increase in trade turnover, while the volume of imports from Armenia is growing at a progressive pace: it reached the mark of 38% over the past few months of 2018.

Pashinyan continued to stress the importance of Russian-Armenian relations in his meeting with Putin during his 13 June 2018 visit to Moscow¹⁵, stating that the Armenian-Russian relations are of special nature and that he is confident that they will continue to be unique, and hopes that these relations will become even more specific. Both Armenia and Russia are satisfied with these developments, and hope that bilateral relations will develop more effectively on the basis of mutual respect for the best interest and sovereignty of the two states.

¹³ Nikol Pashinyan, Vladimir Putin meet in Sochi. – Press release, The Prime Minister of the Republic of Armenia, 14.05.2018 <http://www.primeminister.am/en/press-release/item/2018/05/14/Prime-Minister-Nikol-Pashinyan-had-a-meeting-with-Vladimir-Putin/>

¹⁴ Nikol Pashinyan, Vladimir Putin meet in Sochi. – Press release, The Prime Minister of the Republic of Armenia, 14.05.2018 <http://www.primeminister.am/en/press-release/item/2018/05/14/Prime-Minister-Nikol-Pashinyan-had-a-meeting-with-Vladimir-Putin/>

¹⁵ Nikol Pashinyan, Vladimir Putin meet in Sochi. – Press release, The Prime Minister of the Republic of Armenia, 14.05.2018 <http://www.primeminister.am/en/press-release/item/2018/06/13/Prime-Minister-Nikol-Pashinyan-had-a-meeting-with-Vladimir-Putin/>

While visiting Brussels in July 2018, the Armenian new foreign minister, Zohrab Mnatsakanyan pointed out¹⁶ that hard security realities and Russia continue to govern Armenia's destiny despite its recent revolution. And with Russian aggression in Ukraine now threatening wider European security, he indicated that EU officials also seemed less than keen to upset the status quo.¹⁷ The big difference, for Mnatsakanyan, was what he called Armenia's "security architecture". "Russia today is playing the role which provides hard security for Armenia. Is there anyone else standing there ready to help?"¹⁸ The other difference according his words was the lesson of Georgia and Ukraine, when neither the EU nor NATO helped when Russia stirred up conflict to keep them down.

One important question is why Russia did not intervene to support Armenian authoritarian Government (as opposed to its military reaction to overthrow of Yanukovich in Ukraine in 2014). Lucan Ahmad Way has pointed out¹⁹ that Putin is terrified by the potential diffusion of mass anti-dictatorial movements to his own country and has long been obsessed by the threat of "color revolutions" in the region. Partly as a result, he has a history of interfering to protect autocrats in Russia's neighborhood. But despite his reputation for autocracy promotion, Putin cares much more about the geopolitical balance of power than he does about whether countries outside of Russia are democratic or authoritarian. As a result, Putin has been extremely inconsistent in his support for autocrats outside Russia's borders. Russia has sought to undermine democracy in countries such as Ukraine that are dominated by anti-Russian forces. Putin has supported pro-Russian dictators confronting anti-Russian challengers. But he has been equally happy to support competitive elections and even protests when such measures undermine anti-Russian governments, for example in Kyrgyzstan. In Armenia, Putin's acquiescence to Pashinyan was almost certainly facilitated by the fact that Pashinyan, in stark contrast to opposition in Ukraine in 2013–2014, made a point of committing to maintain the geopolitical status quo. Armenia's vulnerable international position and dependence on Russian military support make it extremely costly for any Armenian leader to leave Russia's orbit – a fact that likely contributed to Russia's calm during the protests. Remittances from Armenians working in Russia account for a significant portion of Armenia's gross domestic product. Russian companies control virtually all of the country's energy supply.²⁰

¹⁶ Andrew Rettman, No change in EU relations after Armenia revolution. – EU Observer, 02.07.2018 <https://euobserver.com/foreign/142245>

¹⁷ Andrew Rettman, No change in EU relations after Armenia revolution. – EU Observer, 02.07.2018 <https://euobserver.com/foreign/142245>

¹⁸ Andrew Rettman, No change in EU relations after Armenia revolution. – EU Observer, 02.07.2018 <https://euobserver.com/foreign/142245>

¹⁹ Lucan Ahmad Way, Why Didn't Putin Interfere in Armenia's Velvet Revolution? – Foreign Affairs, 17.05.2018 <https://www.foreignaffairs.com/articles/armenia/2018-05-17/why-didnt-putin-interfere-armenias-velvet-revolution>

²⁰ Lucan Ahmad Way, Why Didn't Putin Interfere in Armenia's Velvet Revolution? – Foreign Affairs, 17.05.2018 <https://www.foreignaffairs.com/articles/armenia/2018-05-17/why-didnt-putin-interfere-armenias-velvet-revolution>

Also Vlad Niculescu has pointed out²¹ that as a member of the Collective Security Treaty Organization (CSTO) and the Eurasian Economic Union (EEU), Armenia has been a close regional ally of Russia. Moreover, large swaths of the Armenian economy, including the key energy, banking, telecommunications, and transports sectors, have been tightly controlled by the Russian economic elite. The only Russian military bases in the South Caucasus have been placed on Armenian territory, at Gyumri and Erebuni. In late 2016, Russia and Armenia signed a mutual assistance agreement providing for the creation of a joint military force tasked with “ensuring military security in the region and thwarting or repelling possible foreign aggression against Armenia or Russia”. Moscow has also been the main supplier of weapons to Armenia. This overwhelming alignment of Armenia’s economic and security interests with those of Russia evolved over the last 25+ years and is likely to continue. It has been mainly induced by the Azerbaijani-Turkish economic blockade against Armenia, as well as by a growing economic and military disbalance between Armenia and Azerbaijan, which might eventually threaten the territorial status quo in Nagorno-Karabakh.²²

This helps to explain, why Pashinyan’s and Yelq’s foreign policy positions regarding European versus Eurasian integration changed so rapidly after coming to power. One has to take into account the Armenia’s comparatively isolated position in world stage and its continuing conflict with oil rich Azerbaijan (and its supporter Turkey) over Nagorno-Karabakh region, in which Russia has been its only military ally. So although having pro-European leaning before coming to power, the Pashinyan has to take into account harsh geopolitical realities. But it does not exclude intensifying cooperation with USA and EU in areas that have less significance from geopolitical perspective. Regarding the Armenian relations with USA, the influential American Armenian community remains the driver for US Government to support Armenia’s democratic developments.

Armenia’s Relations with European Union

Regarding the question of Armenia’s relations with the European Union, it has to be pointed out that Armenia has been part of the European Neighborhood Policy (ENP) since 2004 and in the Eastern Partnership since its creation in 2009. It should also be pointed out, that already the earlier Republican Party led Government was successful in signing the new cooperation agreement with EU, the Comprehensive and Enhanced Partnership Agreement (CEPA), on 24 November 2017, at a summit of the EU Eastern

²¹ George Vlad Niculescu, Armenia’s “Velvet Revolution” and the Karabakh Conflict Resolution. – Stratfor, 04.05.2018 <https://worldview.stratfor.com/article/armenia-protests-nagorno-karabakh>

²² George Vlad Niculescu, Armenia’s “Velvet Revolution” and the Karabakh Conflict Resolution. – Stratfor, 04.05.2018 <https://worldview.stratfor.com/article/armenia-protests-nagorno-karabakh>

Partnership.²³ The CEPA is very similar to the Association Agreement reached in 2013, minus the provisions on free trade that would conflict with Armenia's obligations to the Eurasian Economic Union. The European Parliament and its national counterparts are currently ratifying the new Comprehensive and Enhanced Partnership Agreement between the EU and Armenia. The Armenian Parliament ratified the Agreement unanimously on 11 April 2018, triggering its provisional application as of 1 June 2018.

Russian officials did not publicly comment on CEPA, but it was said behind the scenes "Lavrov has given his green light"²⁴. In an interview with EurasiaNet.org Armenia's then deputy foreign minister and chief negotiator of the agreement Garen Nazarian said that through the process of consultations with all interested parties, including Russia, Armenian diplomats explained that in CEPA there's not any more the issue of the Deep and Comprehensive Free Trade Agreement. That free trade component was the earlier main obstacle of signing the Association Agreement with EU, because of Armenian decision to join the then-Customs Union.²⁵ It is pointed out that the CEPA is relatively "harmless" from Russia's perspective as it commits Armenia to political reforms, many of them potentially difficult, while offering few economic benefits and no security ties to Europe in return. On the other hand some Armenian commentators hailed the signing by Armenia CEPA with the EU as the harbinger of a new Armenian multi-vector policy, that "will allow Armenia to make the most of its geographic potential", and "turn Armenia into a bridge between the EU and Russia"²⁶.

From the EU side the High Representative/Vice-President, Federica Mogherini has pointed out in regards of CEPA²⁷ that it is a long-term objective of EU to have an ambitious agreement in place that better reflects the priorities of EU partnership with Armenia, to address the challenges they face and to make the most of the opportunities available through even stronger cooperation. The Comprehensive and Enhanced Partnership Agreement will strengthen political dialogue and set a solid basis for the continuation of economic and social reforms. From EU perspective some of the concrete ways in which the new agreement will bring added value to citizens both in Europe and Armenia are:

²³ New agreement signed between the European Union and Armenia set to bring tangible benefits to citizens. – EEAS Press Release, 24.11.2017 https://eeas.europa.eu/headquarters/headquarters-homepage/36141/new-agreement-signed-between-european-union-and-armenia-set-bring-tangible-benefits-citizens_en

²⁴ Joshua Kucera, Armenia: This Time, EU Deal Meets Russian Approval. – Eurasianet, 28.06 2017 <https://eurasianet.org/node/84146>

²⁵ Joshua Kucera, Armenia: This Time, EU Deal Meets Russian Approval. – Eurasianet, 28.06 2017 <https://eurasianet.org/node/84146>

²⁶ George Vlad Niculescu, Armenia's "Velvet Revolution" and the Karabakh Conflict Resolution. – European Geopolitical Forum/Stratfor, 04.05.2018 <https://worldview.stratfor.com/article/armenia-protests-nagorno-karabakh>

²⁷ New agreement signed between the European Union and Armenia set to bring tangible benefits to citizens. – EEAS Press Release, 24.11.2017 https://eeas.europa.eu/headquarters/headquarters-homepage/36141/new-agreement-signed-between-european-union-and-armenia-set-bring-tangible-benefits-citizens_en

- A better investment climate: A better regulatory environment will improve the business climate and investment opportunities for Armenian and EU companies, encouraging Armenian companies to sell more goods and services to the EU and the EU companies to open subsidiaries in Armenia, which will contribute to economic growth and job creation.
- A more empowered civil society: An independent civil society platform composed of Armenian and EU organizations will be set up to monitor the implementation of the agreement.
- A safer living environment: The EU and Armenia will increase their cooperation in preventing and fighting crime, including terrorism.
- Fairer and more transparent procurement procedures: Clearer rules on publication of tenders and review procedures will help to prevent corruption and discrimination.
- Improved product safety and consumer protection: Armenia will seek to reduce differences with regard to EU standards to further protect the health and safety of consumers.
- A cleaner, healthier environment: The EU will support Armenia's adoption of EU environmental standards as well as its development of clean sources of energy.

In line with the new agreement, Armenia and the European Union have jointly developed Partnership Priorities, which defined the priority areas of cooperation. These are: strengthening institutions and good governance; economic development and market opportunities; connectivity, energy efficiency, environment and climate action; and mobility and people-to-people contacts. Since 2014, the EU has provided close to €120 million of financial support to Armenia with a focus on areas such as economic development, innovation and personal development, improving the rule of law and the business environment, electoral assistance, and connectivity. Furthermore, Armenia has also benefited from funding for multi-country projects. Transport infrastructure development and energy efficiency has been supported under the Neighborhood Investment Facility, while further EU support is aiming at delivering concrete results to citizens in areas such as judicial reform, access to finance and economic development, connectivity, education and mobility. Since 2014 Armenia has also benefited from €70 million of grants from the Neighborhood Investment Facility, leveraging €412 million of investment.²⁸

As pointed out earlier, the unresolved Nagorno-Karabakh conflict remains an obstacle to increasing stability and prosperity in the region. The EU, including through its Special Representative for the South Caucasus and the crisis in Georgia, supports and complements the efforts of the Co-Chairs of the OSCE Minsk Group to facilitate the resolution of the conflict.²⁹

²⁸ Fact sheet on EU-Armenia relations. – EEAS, 19.06.2018 https://eeas.europa.eu/headquarters/headquarters-homepage_en/4080/EU-Armenia%20relations

²⁹ Fact sheet on EU-Armenia relations. – EEAS, 19.06.2018 https://eeas.europa.eu/headquarters/headquarters-homepage_en/4080/EU-Armenia%20relations

While EU has welcomed the democratic changes that have taken place in Armenia as result of Velvet Revolution, there has been relatively little discussions in EU level, how to specifically support democratic changes in Armenia after the Velvet Revolution. Certainly the CEPA's as a cooperation instrument's importance has significantly grown as result of the political changes in Yerevan, which makes possible more intensive cooperation than before. CEPA has widespread support in Armenia and contains tools and mechanisms that Pashinyan's willing and reform-minded government can use. Some experts have argued that Armenia's unique situation calls for a specific response from the EU. For example Amanda Paul and Dennis Sammut from European Policy Centre have proposed that the European External Action Service should establish a task force under the chairmanship of the EU Special Representative for the South Caucasus to identify the aspects of CEPA that can be fast-tracked. It should also provide technical assistance and training in critical areas and sectors. This new task force should be time-bound and operate only for a fixed one term of 12 to 18 months.³⁰

Conclusion

In conclusion we can say, that as a result of the Velvet Revolution, Armenia has taken important steps establishing more democratic and rule of law based society. The new Government's position remains difficult, because enforcing Government's decisions is dependent on the approval of opposition majority controlled parliament. Only time will show, whether, as a result of the Velvet Revolution the political support will permanently shift towards pro-democracy forces. Therefore, it is not yet certain how fast changes in Armenia will take place and how permanent they will be. Especially in fighting corruption and oligarchs control over economy and politics the real results could be difficult to achieve, as the experience of other Eastern Partnership countries shows. Decisive moment for consolidating support for reforms is the new Governments supporters' ability to call and win the new parliamentary elections during the second half of 2018 and so to achieve electorates support for its reform program.

In the foreign policy of the new Government there are no big changes to be expected. The security issues related to Nagorno-Karabakh conflict remain the central foreign policy challenge for Armenia. In this frozen conflict, the Armenia has so far found the only ally in Russia, as the international efforts to solve conflict through Minsk process have not given satisfactory results from Armenian point of view. The relations with Russia and Eurasian Economic Union remain therefore main priorities, because of the geopolitical constraints, as Russia remains Armenia's main supporter in its dispute with Azerbaijan over Nagorno-Karabakh issue. Also Russia has leverage over Armenia as arms supplier, energy provider, trading partner and investor into Armenian economy.

³⁰ Amanda Paul, Dennis Sammut, Armenia's "Velvet Revolution": Time is Pashinyan's worst enemy. – European Policy Centre, 30.05.2018 http://www.epc.eu/pub_details.php?cat_id=4&pub_id=8568

However, the new Government could be expected to establish closer ties also with EU and USA, as it has stressed the importance of building better relations with Western countries. For deepening of Armenian cooperation with the EU the Comprehensive and Enhanced Partnership Agreement provides excellent platform that should be used to its full extent. CEPA has widespread support in Armenia and will strengthen political dialogue and set a solid basis for the continuation of economic and social reforms. The EU should also consider additional measures to support democratic changes in Armenia.