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Thinking ahead for Europe

Spillovers from the Arab Revolts: Is Armenia next in line?

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The recent cycle of revolutions in Arab countries has caught policy-makers and experts off guard. The decades-long kleptocracy, systemic corruption, economic stagnation and censorship are merely some of named causes accounting for the shake-up of the old order in Europe's Southern Neighbourhood. The choices that citizens were deprived of making through the ballot box have been accomplished by taking to the streets. Policy-makers and analysts are contemplating the possible scenarios for the countries that have finally brought down their dictators. EU leaders are debating support they can provide to help in the establishment of 'good governance.' Meanwhile questions are being asked about the possible implications of the successful revolutions beyond the Arab world and especially for the EU's Eastern neighbours. In his recent speech, the President of the European Council, Herman Van Rompuy, stated: "Although recent developments concentrated our political attention to the South, we certainly cannot afford to forget about the Union's Eastern neighbourhood."

The EU's Eastern neighbours have already witnessed regime changes through the colour revolutions in mid-2000s. Georgia's 'Rose Revolution' brought pro-Western leader Saakashvili to power who implemented considerable economic and institutional reforms and tackled the long-existing tradition of government corruption. However, Saakashvili's

personal style of governance and the war with Russia that cost Georgia possibly irrevocably loss of control over South Ossetia and Abkhazia have been widely criticized. The 'Orange Revolution' in Ukraine saw a dismal fate. Yushchenko and Timoshenko assumed the leadership due to the civic activism of pro-democracy forces. However, constant struggle between the leaders as well as their unwillingness or inability to address systemic corruption and other economic problems led to their losing power to Yanukovych, who is fast moving towards forming an autocratic regime. In Ukraine's neighbouring Moldova, democratic forces are still struggling to implement internal reforms aiming at better governance. By contrast, both Belarus and Azerbaijan have recently seen the further tightening of their dictatorships. Crackdowns on demonstrators and imprisonment of opposition leaders and activists have followed the re-election campaigns of both Lukashenko and Aliyev. However, in response, the EU was much tougher towards Belarus than Azerbaijan, which is presumably explained by the oil factor. In any case, the opposition was silenced in both countries, at least for now, and the threat of regime change appears delayed.

And then there is Armenia, which since independence has had a 'bumpy ride' towards democracy. The phrase used 20 years ago – "Armenia is a county in transition" – is still often repeated today. It can even be argued that the country is de-democratizing. Although its

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citizens have taken to the streets a number of times demanding the president's resignation, attempts at mounting a 'colour revolution' have been unsuccessful so far. The transfers of power have been orchestrated behind the scenes. The first president Levon Ter-Petrosyan resigned in 1998, following disagreement within the government concerning the settlement of the Nagorno Karabakh conflict, and the second president Robert Kocharyan handed power over to his closest ally Serj Sargsyan in 2008. Apart from the first presidential election right after independence, which was proclaimed transparent and fair, all the following presidential elections saw serious pre- and post-electoral violations. Thus, regime reform or change through the ballot box has not been a workable option up to now.

However, the political landscape has shifted since the first president, Ter-Petrosyan, staged his comeback in 2008 as presidential candidate of the main opposition alliance – the Armenian National Congress (ANC). Although not all opposition parties are united in the ANC, Ter-Petrosyan's return ensured the strong opposition leadership that had been hitherto absent. He and his allies have been pointing out the current regime's unwillingness to implement political and economic reforms, the results of which are high unemployment, the increasing gap between rich and poor, restrictions on freedom of speech and assembly, as well as the monopolization of the larger businesses by oligarchs and the member of ruling political elite. Ter-Petrosyan himself has labelled the government as a 'bandidokratia.' Following the presidential election of 2008, which was neither fair, nor transparent, peaceful demonstrators took to the streets in support of Ter-Petrosyan. On 1 March 2008, police forces moved in to disperse the crowd. Hundreds of demonstrators were arrested (9 activists are still in prison), hundreds were injured and ten people lost their lives. The ANC alleges that the army too participated in dispersing the demonstrators.

After this tragically violent episode, the opposition has continuously formulated political demands. Small and medium-scale demonstrations have continued to be organized. However, following successful revolts in the Arab world, since 18 February 2011 the Armenian opposition intensified its

demonstrations aiming to achieve regime change. On the one hand, ANC leaders demand extraordinary presidential and parliamentary elections. On the other hand, they do not deny the possibility of regime change through a so-called 'social explosion'. The ANC currently spares no efforts to draw parallels between the situation in the Arab world and Armenia. Censorship, corruption and kleptocracy are cited repeatedly. For its part the ruling elite dismisses the seriousness of these comparisons, citing cultural, religious and geopolitical differences. Yet, in doing so, the authorities misrepresent the reasons for the Arab revolt, which have to do with political, social and economical conditions, rather than with religious, cultural or geopolitical circumstances. Moreover, the governmental officials refer to Armenia's substantial macroeconomic growth up until the global financial crisis stage, and blame the economic slowdown and increase in prices on the global recession. However, the ruling regime neglects the complaint that the fruits of the growth have not been fairly distributed. The ruling political elite and oligarchs were the main beneficiaries, and the average citizen did not profit much from the economic growth. Furthermore, governmental officials also claim to be making efforts to combat corruption. Yet, they are silent about the fact that no charges have been brought against any high level official to date.

Nagorno-Karabakh is another essential factor in the ongoing opposition-government 'debate.' Members of the ruling elite state that resolving the Nagorno-Karabakh conflict requires, inter alia, a politically stable Armenia; therefore, if the ANC destabilizes the country through demonstrations, it might harm the interests of Nagorno-Karabakh and disrupt the peace process. For its part ANC leaders argue that the calling of extraordinary elections would not undermine Armenia's stability. They also stress that the current president has not only failed to resolve the conflict, but also made considerable concessions in the negotiations, and even that a regime change is imperative for 'saving Nagorno-Karabakh'.

The Russia factor, although scarcely raised publicly, also plays an important role in the context of the power struggle in Armenia. Although Russia has adopted the doctrine of

'non-intervention' in domestic affairs of third countries, it appears to be backing Armenia's current authorities and exercises considerable influence inside Armenia. Along with the United States and France, Russia co-chairs the Minsk Group of the Organization for Security and Cooperation in Europe (OSCE) that is intended to mediate the resolution of the Nagorno-Karabakh conflict. Russia and Armenia are members of both the Commonwealth of Independent States (CIS) and the Collective Security Treaty Organization (CSTO). In addition, Russian troops are guarding Armenia's border with Turkey and Iran, and Armenia is largely dependent on Russia for the gas and oil supplies.

The ANC held its first 'big rally' since the beginning of the current Arab revolutions on 1 March 2011, which also marked the third anniversary of the fatal post-election violence. To mobilize support, opposition activists handed out leaflets on streets, and used a few

uncensored online and printed newspapers as well as Facebook and Twitter. There were no announcements about the upcoming demonstration through the TV channels, which are entirely controlled by the government. Police intimidated activists both in the capital and in the regions to deter their participation in rallies or their organization. The authorities went to great length to disrupt the movement of ANC supporters from the regions to Yerevan. Public transportation connecting the major cities to the capital did not function. Police patrolled the main highways connecting the regions with Yerevan. Nonetheless, ANC supporters took to the streets. According to the police, 9,000-10,000 people gathered for the rally. The ANC estimates 50,000 participants. During the demonstration, Ter-Petrosyan presented the ANC's demands in a 15-points declaration directed mainly to the current regime in Armenia.

**Summary of 15-point demand presented by Armenia's first president and current opposition leader
Levon Ter-Petrosyan on 1 March 2011**

1. Before the visit of the Council of Europe Co-Rapporteurs on Armenia (15 March 2011), release all nine prisoners sentenced for their political views and activities.
2. Establish an independent international commission or reinstate the 'Fact-Finding Group' by including in it international experts for the purpose of revealing and punishing (according to law) those responsible for the monstrous crimes of 1 March 2008.
3. Compensate the material damages of all citizens who suffered from the events of 1 March 2008, especially those who suffered injuries and the families of those who were killed.
4. End police warnings, threats and restrictions aimed at stopping the participation of citizens in rallies and political activities in general.
5. Implement the non-appealable verdict by the European Court and reinstate the 'A1+' TV Company as well as put an end to the government's control over online media.
6. Stop the authorities' belligerent rhetoric and reinstate the previous format of negotiations ensuring the participation of Nagorno-Karabakh in the negotiations as a full party.
7. Reverse the decisions prohibiting open-air street trade, disallowing the small stores to work after 8 p.m. and compulsory car insurance.
8. Eliminate the illegal levying of VAT on cars imported for personal use (but not those destined for sale).
9. Raise the minimum monthly salary to \$200, the unemployment benefits to \$100 and the average pension to \$112.
10. Remove the proposal to revise Article 142 of the RA Labour Code from the National Assembly's agenda, according to which setting a 6-day working schedule is subject to the employer's discretion.
11. Introduce state subsidies for production of the most important agricultural goods by taking into consideration the market price and the strategic location (bordering regions).
12. Publish the properties and income of the previous and current highest-ranking state officials and their families, starting with the presidents, prime ministers, ministers, deputy ministers, governors, mayors through to judges, prosecutors, generals and deputies of the National Assembly (formerly the Supreme Council).

13. Fire the prime minister, the deputy prime minister, the head of the central bank, RA prosecutor general, etc. for the reasons of mismanagement and incompetence.
14. Calls on international organizations, the United States and the EU member governments to put an end to their unconditional support of Armenia's dictatorial regime based on geopolitical considerations.
15. In the event that these demands or a substantial part of them are fulfilled, the ANC will begin to engage in a practical dialogue with the authorities over a single agenda item: the issue of extraordinary presidential and parliamentary elections in the upcoming months.

March 1st, 2011 marked a turning point in Armenian politics. The opposition is certainly revitalized, with some ANC leaders even declaring that 'victory is guaranteed'. But the authorities are expected to resist their demands. Therefore, political tensions are expected to escalate, which prompts us to contemplate four possible scenarios for future developments in Armenia:

- a) The status quo is maintained. The Armenian authorities are able to suppress the opposition and keep their grip on power. Yet this course of action is *improbable*, given the growing activism of the opposition and increasing dissatisfaction among the population on economic, social and political fronts.
- b) Members of the ruling elite introduce political and economic reforms. A transparent effort is made to counter corruption, ensure protection of human rights and stop the censorship of media (especially TV channels). As a result the government eases public dissatisfaction and counters the opposition's criticism. Nevertheless, this scenario is *doubtful* because the ruling coalition is fragmented and would hardly agree on implementation of reforms that involves compromise.
- c) The authorities leave the situation unchanged and focus on repressing the opposition. The latter continues the demonstrations and is *likely* to succeed in taking over power. However, the new government will need to embark on a wave of real reforms in a reasonable timeframe, which may still be a bumpy road but, nonetheless, critical for its own endurance.
- d) The opposition seizes power but makes merely 'declaratory' reforms continuing 'business as usual' and the ground is laid for the next revolution, i.e. a return to scenario a. This is *not an implausible* model, of which several Latin American countries have had

considerable experience in the last half century.

In any case, the EU needs to be prepared for each of these possible scenarios. If scenario a takes place, possible sanctions could be introduced by the Union, especially in the areas of aid and trade (including targeted sanction against some governmental officials) in order to push Armenian authorities to implement the reforms that have been promised during the last 20 years. In case either scenario b or c materialises, the EU would be able to take a more interactive role in supporting the government to undergo the necessary and long-overdue transition to full-fledged democracy. Given the past experiences, the EU should require the Armenian government to present a visible and measurable programme for reforms that would be assessed on a regular basis to avoid a return to scenario a.

'Colour revolutions' do not always progress peacefully and produce desirable results. The Arab world has just seen two relatively smooth regime changes. Yet Libya is drifting towards civil war. At this stage, the outcome in Armenia is unclear. However, it seems quite possible that the coming months will see developments of major if not decisive importance for the future of the country. There are also several objective factors that are relatively favourable for the chances of a successful regime change in Armenia, in notable contrast to the situation in much of North Africa: a credible opposition leadership exists, civil society structures are well established and there is the huge Armenian diaspora of talented professional people able and willing to join in their country's recovery. For its part, the EU needs to be prepared to play the role of the serious and responsible neighbour it has claimed to be for so long. The revolutions of the Arab world caught everyone by surprise. The EU will have no plausible excuse in the case of Armenia.