



Integration Policy of Armenia

Analytical Pieces

Series of Analytical Pieces on the Integration Policy of Armenia sum up the opinions and views expressed at round tables discussions “Armenia in Between EU and Eurasian Union: Assessing New Challenges and Opportunities” organized by Yerevan Press Club in cooperation with Friedrich Ebert Foundation.

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MYTHS ABOUT THE ASSOCIATION AGREEMENT

May 2014

For about four years Armenia was engaged in negotiations around the Association Agreement with the European Union which can be considered as one of the most successful negotiation rounds in the history of the modern Armenian diplomacy. To a certain extent these negotiations contradict the generally accepted notion that EU maintains a harsh dialogue with all those seeking rapprochement with the European community. On most of the provisions that could potentially cause “discomfort” for Yerevan and create obstacles for the fulfillment of its obligations, the Armenian side managed to bargain fairly flexible formulations.

It is these sections of the Agreement which became the subject of the most active manipulation on part of opponents (explicit and implicit) of the Association Agreement. Notably, there were speculations that the new level of relations with the EU will restrain Armenia’s cooperation with its strategic ally Russia. Artificial formulas of “either-or”, “no-no”, “and-and” were put into circulation for the purposes of propaganda. As a prove of the “either-or” principle, allegedly imposed by the European Union, the statements of some EU officials about the incompatibility of the Association Agreement and membership in the Customs Union (CU) were brought. And this interpretation from time to time was supported by representatives of RA authorities insisting that they have always been proponents of the “and-and” formula and that they were surprised with the announced incompatibility of the two integration projects. In fact, Armenian political elites and the media controlled by them were playing naive. In reality though, the Association Agreement with the EU, including the integration into the free trade zone, in no way restrained Yerevan from engaging in SYMETRIC integration schemes. Armenia could join other free trade zones, including conclusion of similar agreements with Russia and other former Soviet countries. In this regard, the Association Agreement allowed for the realization of the “and-and” formula at its best. Whereas the Customs Union prohibits engagement in other integration processes with its protectionist mechanisms, imposing the formula of “or-or” on its members.

Armenian community was forced upon the idea that, say, “it is impossible to be in one security system (meaning the membership of RA in the Collective Security Treaty Organization – **Auth.**), and be economically integrated into an alternative system at the same time.” First, Armenia was not to be integrated into an “alternative” system; RA would retain the freedom to maintain relations similar to the scheme of EU’s economic relations with Russia, Kazakhstan and Belarus, as it is mentioned above. If the Association Agreement implied higher standards for the Armenian products bidding for free access to EU markets, other trade partners of Yerevan (same Moscow, Astana or Minsk) would only benefit from that. By the way, correspondent standards adopted by one of the founding countries of CU – Belarus, are now higher than in the whole Customs Union... Secondly, Turkey’s accession was seriously discussed in the framework of the Customs Union. President of Kazakhtan Nursultan Nazarbaev even made a formal proposal to Ankara. But how about Turkey’s membership in the political-military alliance of NATO? Or maybe the officials in CU capitals are so naïve that they allow for the possibility of Turkey’s exit from NATO? All these arguments against the association with EU intended for duped audience do not deserve a name other than demagogy.

Armenia's membership in the CSTO was fundamentally considered in its variant of the Association Agreement with EU; this circumstance led to a much more modest section of the document pertaining the partnership in the spheres of security than in case of the other three countries (Georgia, Moldova and Ukraine), which have views for the membership in NATO. The Agreement did not contain any prerequisites to review the contractual obligations of Yerevan with CSTO partners. Also, as oppose to the other three countries, Armenia did not raise the issue of prospective EU membership and did not assume to make any changes in the bilateral relations with Russia or interactions within the CIS. In other words, nobody would force Armenia to choose "EU or Russia" in case the agreement was signed. At least in case of Armenia, the assurances given by EU that the Eastern Partnership is not directed against Moscow's interests and its relations with partner countries had a good reason. To suggest otherwise is tantamount to the view that socio-economic and political development of Armenia, as such, is already against Russian interests. If so, then the problem is not in the relations of Armenia with EU but rather with those who formulate and try to realize such "interests" of Moscow...

Another myth regarding the Association Agreement has to do with one of the most sensitive issues for the public opinion in Armenia – the Mountainous Karabagh conflict. Opponents of the agreement were actively spreading false information that the text of the agreements contains a provision on the future status of MK unacceptable for the national interests of RA. It's hard to say on who or what the authors of the misinformation were counting on because for any person even remotely familiar with resolution of the conflicts similar to Mountainous Karabagh, it's obvious that the format and character of negotiations around the Association Agreement excludes the very possibility of stipulation on MK status in that document. At the same time, as the Supreme Eurasian Economic Council of May 29 in Astana proved, real risks for the unrecognized republic rather exist in the framework of Customs (Eurasian) Union.

Even in a question of the future of Metsamor nuclear power plant where the position of the Armenian side is highly vulnerable given the security risks posed by the plant, the Association Agreement provided "softer" formulations compared to the preceding documents regulating EU-RA relations. In the Agreement the prospect of closing the nuclear power plant was directly linked to the issue of energy security of Armenia insured by alternative means. Now compare these approaches with "integration" process of Armenia in Eurasian Economic Union...

UNION WHERE ARMENIA IS NOT WELCOME

June 2014

Obstacles for the accession of RA into the Customs Union with Kazakhstan, Belarus and Russia were well known long before September 3, 2013, when RA president announced the decision to join Customs Union and participate in the formulation of the Eurasian Union. Some of those obstacles, most primarily the absence of a common border with any of the member states of the union, were repeatedly voiced by Armenian high rank officials, including the former Prime Minister Tigran Sargsyan. Other obstacles were broadly discussed after September 3.

As all the Armenian political elites, by conviction or under constraint, immediately turned into proponents of the CU, they started to bring random arguments as to justify the new “choice” of integration vector. For instance they argue that the absence of a common border is not a problem-the cargo containers from Armenia, intended for CU partners, will simply be sealed at the Armenian-Georgian border without customs clearance for transit delivery to the Georgian-Russian border where they will be subjected to "customs clearance". Same goes for the cargo transit to Armenia from CU partner countries. Simple, isn't it?! The pioneers of this ingenious method didn't bother to ask Georgia's opinion on the matter though, and when they did ask Georgia, many months after the decision was made, it turned out that their argument was groundless.

Russian recruits who work to allure Armenians towards the Customs Union, started to pay frequent visits to Yerevan from mid 2012, suggesting yet another “argument”: Kaliningrad region also has no common border with the rest of the Russian Federation... Let's leave the moral side of this issue: how correct is it to compare the enclave of a certain country which economic, trade and any other level of integration can't even be questioned, with a sovereign state which is meant to build relations with foreign partners based on expediency and common sense as a component of its national interests. But the argument also does not stand any criticism from purely practical point of view too. Kaliningrad region has no LAND border with Russia, but the region is linked to Russia by sea without any transit countries. Put it differently, there is a route for cargo delivery without customs procedures by other countries. Whereas Armenia does not have this option to link with Russia bypassing customs control of third countries; technically it is only possible by air which cannot be regarded as an effective rout for exchange of goods among the states of a common customs space.

Another obstacle on the way of Armenia's accession into the Customs Union is RA's membership in the World Trade Organization. When Armenia joined WTO in early 2003, it agreed to lower customs duties, which corresponds to its status as a country with active export-import relations. Membership to Customs Union creates principle contradictions between WTO obligations and significantly higher tariffs provided by CU. As it is known, Russia entered the World Trade Organization later than Armenia, in 2012, and originally agreed with WTO on tariffs which do not contradict the ones existing in the Customs Union. Kazakhstan and Belarus are not yet members of WTO, and in case they ever join this organization (Astana is engaged in intensive talks on this subject) they will proceed with the tariffs existing in the CU.

Armenian authorities optimistically stated that they will agree upon more than 50 percent exemptions for one and a half thousand items of goods subject to duties under the CU. Negotiations on these exemptions were designed to eliminate the contradictions between WTO membership and the Eurasian Economic Union (EAEU) but as it turned out, the potential partners of EAEU (this point of view was firmly expressed by Belarusian President Alexander Lukashenko) are strongly against the accession of new members on special conditions. In other words, if the exemptions will not be granted, it is expected that the EAEU must compensate Armenia's WTO partners for their loss in tariffs differences, as the European Union was once doing for its new members. However, the statements of RF Deputy Prime Minister Igor Shuvalov made it clear that no one is going to pay for Armenia, and as for Armenia itself, it cannot even come close to covering the compensations on its own.

It appears that from the very beginning of the discussions of RA membership to the CU, it could be seen that Astana and Minsk were not interested in it. Unlike Moscow, they tend to view the Eurasian integration from a purely economic perspective, whereas the accession of Armenia had mainly political significance. RA's membership in EAEU would also mean further strengthening of Russia's position in decision-making, given Armenia's dependence on Moscow. Subsequently, Kazakhstan and Belarus, already disgruntled with Moscow's domination, presumably have developed a strategy to prevent Yerevan from joining the union. If Lukashenko raised the issue of the exclusion of the special conditions, the Kazakh President Nursultan Nazarbayev took the role of the defender of Azerbaijani interests, which leads a policy of Armenia's isolation from all kind of integration projects. It is no secret that for both, Astana and Minsk, Baku stands as a more important partner than Yerevan. Combined share of these two CU members in the foreign trade of Armenia does not even reach 1%, whereas Kazakhstan cooperates with Azerbaijan on a number of large scale international projects, including energy and agriculture. Additionally, the two countries are members of the Organization of the Islamic Conference, where they tend to express consolidated positions. The cheap loans provided from time to time by Azerbaijan to Belarus are of a huge importance for Belarus. Considering all these factors, there can be no doubt that these two countries of CU will strongly resist Armenia's accession.

Of course, Moscow has enough weight to push for a new member on conditions that will be acceptable for Russia. Nevertheless, even before September 3, 2013, and after that, Armenia's choice in favor of Eurasian integration had no value by itself, but was a factor preventing the triumph of the Eastern Partnership at the Vilnius summit in November, 2013 and, above all, the signing of the Association Agreement by Ukraine. To an extent that Russia has solved (or not solved) this problem, the issue of Armenia's membership in the Customs Union and subsequently in EAEU has lost its relevance. Hence, it should be of no surprise that Moscow's interest in overcoming the resistance of Astana and Minsk started to decline.

PREDICTABLE “SURPRISES” OF EURASIAN INTEGRATION

July 2014

Along with the factors hindering (or proving unreasonable) Armenia's accession to the Customs Union, which were obvious from the very beginning of the process, later - in April-May 2014 - emerged also some hidden obstacles; although those can be labeled “hidden” only conditionally. The unpleasant “surprises” were the result of extremely incorrect assessment of the situation and, therefore, erroneous predictions. All those who did not expect that Armenia will face almost insurmountable obstacles to membership in the CU/EaEU apparently did not anticipate that Georgia, Moldova and Ukraine will go all the way towards Association Agreements with EU. After all, if they (or at least only Ukraine), would have changed priorities in favor of the Eurasian integration, like Yerevan did, the CU/EaEU project (aka USSR 2.0) would have looked enough promising, so that "technical" obstacles could be neglected.

With the failed triumph of "Russian spring" interest towards Armenia alone with its liberal (under the conditions of membership in the WTO) trade regime, absence of common borders with the countries of the Customs Union (see previous analytical notes), unattractive market and poor economy has plummeted, and is being replaced by those "hidden" impeding factors. And, as it was expected, the tandem of Astana and Minsk harmoniously worked against the membership of Yerevan. In the end of April 2014 president of Belarus Alexander Lukashenko quite firmly stated the principle that there should be no rush with the formation of the Eurasian Union, and if someone is not ready to accept all the package of proposed conditions, the signing of the Agreement can be postponed. Practically, this meant that the preceding negotiations of Yerevan with Moscow for significant exemptions from the list of items taxable under new customs tariffs, were a waste of time. In the end of May the president of Kazakhstan Nursultan Nazarbaev referring to the letter of his Azerbaijani colleague Ilham Aliyev, made it clear that Armenia can join the EaEU only within its internationally recognized borders. In practice this meant that there should be a customs checkpoint on the border of Armenia and Mountainous Karabagh (MK). What is more, Nazarbaev presented it as something that should be taken for granted, saying that on the same terms Armenia has joined the World Trade Organization...

None of the parties present at this meeting of the Eurasian Economic Council, including the Armenian delegation headed by the country's president, did not object that such parallels are irrelevant, because neither in WTO nor in the case of the Association Agreement the question of the special regulation of movement of goods between MK and Armenia has never been raised. Moreover, in the framework of the negotiations on the Association Agreement (as previously in the case of the WTO) partners have been sympathetic to the situation of unresolved conflict - the need for the normal life for Karabagh population, conditioned by communications with Armenia - and avoided artificial limitations.

In this, and in all other matters Eurasian negotiations plunged Yerevan in qualitatively different culture of "partner" relations, wherein the interests of the weaker party are not going to be considered by anyone. Passive stance of the Armenian side at all full format discussions within CU/EaEU which were humiliating for RA, could also be explained with expectations that Moscow who has employed undisguised threats (gas tariffs, the sale of

offensive weapons to Azerbaijan, etc.) to draw Armenia in its integration project will find a way to deal with the rest of its participants - Astana and Minsk.

There is no doubt that by demonstrating a tough stance against Ukraine, Kremlin could persuade their partners to accept Armenia into the Customs Union on any terms. The policy of the "big stick" led by Russia for a long time did not work as effectively as in the past few months. However, it turned out that the Russian leadership is not eager to hurry the issue of Yerevan's accession into the EaEU. Moscow's behavior only confirmed the obvious: its purpose was not an extension of the Eurasian format with Armenia, but the failure of the Association Agreement between EU and RA.

No doubt also remains about the effort of "Eurasians" to consider the accession of RA into the CU through the prism of cooperation with Azerbaijan, which in turn, consistently pursues a policy of isolating Yerevan from all international and regional initiatives. At first, it may not be full-fledged participation of Baku in the Eurasian process, but for example a coordinated policy in the field of energy, which remains the main arguments of Kremlin in its deepening confrontation with the West. Joining of troubled countries like Armenia, Kyrgyzstan and Tajikistan to the Eurasian integration project are of less importance to Russia than the involvement of Iran and Azerbaijan on their side in the energy game. For Tehran it is a way to achieve a kind of revenge for years of sanctions by the West, for Baku – a way to loosen irritating pressure of the international community on issues of democracy and human rights. In this regard, another immediate neighbor, Turkey, taking into account its own complicated geopolitical calculations, as well as non-conventional approaches of its current leader to relations with the external world can act as an aid rather than an opponent in this game. Especially since, Baku as a minimum, and in certain matters also Ankara have expectations of a bonus from Moscow for their cooperation.

In this context, correlating Yerevan's choice in favor of Eurasianism and reliance on Russia, coupled with the CSTO as unconditional allies in case of problems with unfriendly neighbors, was groundless. Given the current situation, no one can offer Armenia guarantees for a peaceful life and respect of its national interests in the resolution of Karabagh conflict. Risks to the security of the country existed long before Armenia got to choose between the Eurasian and European integration. Of course, in a short-term perspective these risks wouldn't diminish in case of concluding the Association Agreement with EU. And only primitive, short-sighted calculations allow to conclude that the rejection of European integration and "knocking on the doors" of the Customs Union – is a more reliable way to reduce the risks. Subsequent developments convincingly confirmed this.

Accordingly, the version of the Association Agreement of Armenia with the EU, to which the sides came in the course of negotiations, and which did not connect directly the choice of a model of state and socio-economic structure, as well as a vector of civilizational development with the belonging to the security system and strategic partnership, was the only viable option for Yerevan. By rejecting it, the government has faced both, initially obvious, and increasingly growing hidden problems. These affected practically all the spheres - domestic and foreign policy, economics, public life, as well as security. The experience of recent months shows that crisis symptoms will accumulate until membership in the Eurasian Union remains the uncontested prospect for the country. A new challenge, in this sense, is Western sanctions against Russia, but this will be a topic for the next analytical pieces.

WAR OF SANCTIONS AS AN OPPORTUNITY AND A CHALLENGE

September 2014

The war of sanctions between the European Union, United States and several other countries, on one hand and Russia - on the other, of course, affects the entire global market, including parties not directly involved in this war, whether they like it or not. Armenia as a country which has stuck halfway between the Association Agreement with the EU and the Eurasian Economic Union, also traditionally dependent on import and export will be particularly sensitive to this situation. In that, some of the consequences may have a double effect - both positive and negative.

Immediately after Russia imposed ban on the import of grocery from countries that apply sanctions against RF, there was a talk about new perspectives for Armenian producers. In particular, certain opportunities for them may come with shortage of fruits, vegetables, meat, fish and cheeses that is currently observed in Russian consumer market. Needless to elaborate on the positive effects of these developments, they are obvious.

At the same time it would be frivolous to ignore the related problems, at least for the sake of minimizing the negative effects as much as possible. The first of the negative effects that will occur is the immediate increase of prices in the domestic market, naturally caused by increased demand (taking into account the consumer resource of Russia in relation to the production capabilities of Armenia the latter can be unlimited). We have encountered a similar problem when the interest towards the Armenian lamb increased in Iran and the Arab countries - the price in the local market jumped so high that in Armenia this product became unavailable for the majority of the population. A "fresher" example is Belarus, where the population has already faced rising prices as a consequence of a reorientation of some goods to Russian consumer market.

The argument that this is the meaning of the market economy - to produce for profit and satisfy own demand with the gained profit - in this case is not quite correct. Purely market-based formulas work well when the relationship between the entities is more or less established. In this case, however, we risk facing a shock situation caused by a global crisis, wherein the interests of the small market entity in the face of the Armenian consumer may simply be overwhelmed by a powerful fellow - Russian consumer.

Naturally, for a narrow circle of Armenian business community, entrance to the Russian market will insure enormous profit, but the concentration of capital and monopolies existing in the Armenian market will not provide for redistribution of revenue among wider population. One should not also expect significant growth in jobs since the industries that potentially can be activated by changes in the Russian market do not have a demand for a great army of additional employees. Accordingly, the rise in prices is unlikely to be accompanied by a proportionate increase in the purchasing power of the population. Social problems are likely to exacerbate, and how it usually affects the migration rates is well known from the experience of the recent years...

Another likely side effect is environmental. Even before the new prospects for penetration into the Russian market, Armenian environmentalists rightly rang the alarm regarding the predatory use of water resources by fish farms. This has started to pose real threats for the

basic life-supporting resources of Armenia - Lake Sevan and the Ararat Valley (overexploitation of artesian waters is fraught with irreversible consequences). Armenian fishing industry has already won its place in the Russian market. With the introduction of retaliatory sanctions and with emergency demand for alternatives, for example banned Norwegian salmon which is a common part of diet of many Russians, the demand for our gourmet food can be excessive, with all the resulting environmental consequences.

The above said, of course, does not mean that Armenian businesses should not react to the changing regional market conditions, in accordance with their own interests. Concerns over the choice of the Eurasian integration are intended to prevent the country from acquiring characteristics of North Korea, and to go as far as possible from that model. But the listed shock challenges are not at all exhaustive and addressing all those negative impacts requires high responsibility of public institutions, particularly those that implement the policy in the field of social security and pricing, free and fair competition, fight against corruption, protection of natural resources and sustainable development. Even without the approaching new wave of geopolitical and global economic crisis, the relevant authorities of Armenia have been far of perfectness. Their further inefficient operation, low level of public accountability, immunity to criticism of free media and civil initiatives can turn new business opportunity into a disaster for the country as a whole.

Today there is much talk about the perspectives of covert re-exports to Russia of goods that were banned under the retaliatory sanctions and a potential opportunity for the close partners of Moscow to make some extra profit on it.

Humorous hints and very serious business plans for the "Belarusian shrimps" or "Kazakh parmesan" have recently become common. We could be talking about hundreds of small and medium enterprises engaged in processing and even simple repacking of goods from Western countries for Russia. Moreover, it is possible that this will take place by mutual consent: Western manufacturers at least partially retain market, and Moscow will "keep in style" and at the same time will not deprive its citizens from their usual range of goods. Chances of Armenia in these combinations are likely to be small. Especially in comparison with the founding countries of the Eurasian Economic Union which are exempt from customs formalities, as well as China and Turkey which have huge volumes of trade with Russia and, therefore, worked out perfect logistic arrangements. Even Georgia, which, despite signing the Association agreement with the EU, but works hard towards economic cooperation with Russia has certain advantages over Armenia: first of all, due to the geographical proximity, the presence of a common border and lower transportation costs.

Paradoxically, the presence of competing integration initiatives, free trade areas, customs unions, and even sanctions, in a sense is promoting cooperation between certain countries that belong to different systems. By using mutual investments and sister companies, they can benefit from profitable trade and economic regimes, available for each. It is no coincidence that in Armenian government circles talks about the prospects of this kind of cooperation between Armenia intending to join the EAEU and Georgia who signed free trade agreement with the EU, are recently popular.

Similar schemes are being worked out by "tipsters" in the context of the sanctions imposed against Russian companies. Especially, since the latter are actively present in Armenia and Russian capital is involved in the majority of Armenian banks. However, in this case, the

risks are quite high as the Western partners of Yerevan are likely to closely monitor potential workarounds to overcome the sanctions regime against Moscow and will take appropriate action. Unambiguous warning on this regard has already been voiced.

Mutual tacit agreement to circumvent restrictions on credit and finance operations or realization of Russian commodities in the West via third countries is much more difficult to achieve than similar operations in the opposite direction. The understanding with which the United States and Europe approached the Armenian-Iranian trade relations as a means of survival for our country, may not apply to Yerevan's cooperation with Russia which is currently sanctioned by the West. One of the obvious consequences, for example, can be a non-renewal by EU of the GSP + regime which in its practical application is close to free trade.

In a word, the habit of RA authorities to "go with the flow" and pretend that the crisis do not affect the country may be even more adverse to Armenia than the global economic crisis five years ago. Therefore, a concrete program of action on all aspects of the current situation, instead of a hope for a life-saving miracle is required at this stage.

P.S.: Needless to say that any expectations for large-scale Russian injection in the Armenian economy, even in the case of RA's accession into the EAEU, are idle in the context of sanctions. Losses of oil, gas and energy companies, as well as all raw materials sector in Russia is so predictable that all of their investment projects in Armenia should be forgotten. What can be expected though is yet further attempts to recoup their losses on other fronts, squeezing the last juices from the partner country. This is to say, the recent price increases, particularly for gas and electricity were not the last...

TIME TO RIP OFF THE MASKS: TRUE FACES ARE OF VALUE

October 2014

Recent developments around Ukraine and Russia-West relations in general, not only undermine the foundations of international relations which seemingly were permanently established after the Second World War but also lead to rethink and change views on values, goals, priorities of a certain part of humanity that traditionally adheres itself to European civilization. Consequently, these new developments question the content of many development and cooperation programs, jeopardizing consistency and responsibility of the partners in caring out their mutual obligations. Unfortunately, this also applies to European integration processes, including the agenda of EU "Eastern Partnership" Initiative.

Of course, international agreements were not being implicitly implemented before the Ukrainian crisis too, and all those claiming a vision of European future were not convincingly and steadily moving towards the agreed reforms. But retreat from the principles would usually occur with bashful expression on the face and was accompanied with assurances in the steadfastness of the course, excuses and references to the "dark past", slowing down the progress. And only in the "post-Maidan" period, the cynicism and even the bravado in denying hitherto accepted standards and norms became particularly widespread. It turned out that the signatures and seals of dignitaries in bilateral and multilateral agreements relating even to the key issues such as national sovereignty and international security, are worthless. What to say about the humanitarian sphere - the functioning of democratic institutions or human rights!?

Perhaps the first victim (and at the same time the weapon) of the "new world order" was mass media. Leading Russian TV channels became trendsetters here; they have been coming to their current "triumph" for nearly two decades. Following the liberalization of the perestroika period and the first years of democratic statehood in Russia, the first generation of Russian oligarchs and "pro-Western" officials who seized control over the media, decided to abandon the principles of free market in the media industry which they have earlier declared. This was done in order to support "their president" and all available dirty propaganda techniques were employed for this goal. Such a concession could not remain without consequences. Once accepting the "rules of the game", according to which television, print media and other outlets are not subjects of free business, but above all, stand as instruments of political manipulations and therefore do not comply with the principle of protection of private property, "pro-Western elite" was forced to come to terms with the transition of the most important media assets to the hands of new "loyal" owners.

The story of how "Gazprom" became the owner of NTV is a "genre classic". The story of the former owner of that TV channel, Vladimir Gusinsky didn't serve as a lesson for another oligarch and media magnate Boris Berezovsky. The latter sponsored the most sophisticated techniques of "media annihilation" to insure smooth transfer of power from one "their" president to another. Among the "situational" victims were even such giants of Russian politics as former mayor of Moscow Yury Luzhkov and former Prime Minister Evgeny Primakov.

Gusinsky and Berezovsky have both successfully handled the task of manipulating public opinion in the campaigns of bringing to the throne the "needed" candidates in 1996 and 2000 accordingly; after that there was no more need in themselves for Russia. And the major

media resources once owned by them, including television and screen heroes, rose to a new level of moral decline (if you'll pardon the pun), to outdo in their current anti-Ukrainian, anti-Western propaganda most odious Soviet patterns.

The path that the Russian media went through at the turn of the 1990s and 2000s, and the policy of monopolizing the main resources of manipulating the public opinion was reiterated by their counterparts in different countries of the former Soviet Union, including Armenia. But the recent "success" of Moscow's leading TV channels in zombifying citizens remains out of reach. No one else in more or less open societies can "brag" about such efficiency in disseminating outright lies, racism, chauvinism and xenophobia demonstrated by Russian media. In this regard, a number of countries have banned or restricted retransmission of some of the Russian TV channels. In Armenia, despite the presence of these channels in free access and a flagrant violation of national legislation by them, the responsible authorities are neglecting this topical issue.

Meanwhile, in contrast to previous years, when the use of manipulative techniques in Russia was justified by the interests of the Russian elite which was busy with building a Western model of a free, democratic state, and fighting the communist revenge, today all masks are ripped off. Russian TV stars openly mock European values, humiliate entire nations, countries and are not shy to say that this is the way journalism should be.

One of the symbols of the "modern media age" Dmitry Kiselev, lecturing in Yerevan for the Armenian fans of his "talent", challenged the very foundation of journalism and ethics - the need to separate the facts from the comments and opinions; as though it's an outdated principle... In other words, according to the "guru" of the Russian propaganda, it is ok to mix the raw information with its subjective interpretation to an extent that the consumer will lose the factual basis of the media product and will blindly follow the guide. This is what actually is happening with the audience of Russian media, including, unfortunately, the Armenian audience. In the context of such an impact of the "idiot box" and Eurasian aspirations of the Armenian political establishment, the complete oblivion of the lessons of true professional journalism received over the past 20 years by our media representatives, and a switch to the "theory" of the "masters of the word" from Moscow seems inevitable. The only hope is that this will happen at the usual provincial level - and hence without the stunning effect...

How to get rid of any alternative sources of influence on the society is well demonstrated by another companion of our Soviet past – Azerbaijan: about 100 political prisoners, including journalists and bloggers, in a country where anyhow not many people dare to express their opinions openly. Relatively recently, this country revoked the official censorship, was tolerant of criticism in the media, allowed for a real multi-party system, was not explicitly interfering in the work of international organizations with the local civil society, and was not punishing for being engaged in dialogue with Armenians. As for now, almost all the media outlets depend on the government's support and are controlled by the authorities, oppositional activity is equated with anti-state action, funding of NGOs by foreign funds is allowed only with the approval from above, contacts with Armenians fall under the definition of "espionage" and "treason." On the international reactions to the above-mentioned problems, the Azerbaijani leadership who, of course, realize the above stated changes in the global political climate, respond quite defiantly: deal with your own problems... Note that we are talking about a country like Armenia - member of the Council of Europe, participant to the EU initiative

"Eastern Partnership". And one cannot deny that in the Armenian higher political circles, there are people who like similar nature of relationship between the power and the citizens...

It is worthwhile to briefly discuss here yet another neighbor in the framework of the proposed topic - Turkey. It would be unfair to put it on a par with the above examples. But here, too, they love (and again especially lately!) to blame the West and put it back in its place for any criticism in their address. Several months ago, the country's authorities deported journalist back to Azerbaijan, being well aware that he will be immediately arrested on fabricated charges. Its political leaders allow for openly armenophobic statements and convincingly win in the elections. On one hand, they obviously cross the borders of a secular state, which is one of the fundamental principles of European civilization, and on the other, the newly appointed minister of Foreign Affairs of Turkey declares that EU accession is a foreign policy priority for them...

All this is taking place amid the acute geopolitical confrontation, real threats to global security and break of international legal ties. This is the environment in which the agenda of cooperation between Armenia and the European Union is being discussed. It continues to prioritize justice reform, fight against corruption, human rights, the strengthening of democratic institutions – topics that are no longer a priority in the light of the more pressing challenges. If we look at the things realistically, external factors and incentives which used to play a crucial role in promoting the reforms are more than ever weak now. Mimicry under the name of reforms is increasingly losing its meaning. And with the Eurasian process stalled, but not canceled, the external influence has a punctuated opposite vector. Will there be internal recourses for progress? Will the pro-reformist forces in the country realize their responsibility in this new situation? The answer, what is the true face of Armenia in the world today, is to be given in the upcoming fall of 2014.

ARMENIA LOOKING FOR THE DRIVERS OF REFORMS

November 2014

Summing up the year 2014 in Armenia, one should certainly include the consequences of de facto failure of Armenian leadership to initial the Association Agreement with the EU and the country's futile layover at the "porch" of the Russian-led Customs Union (CU), in the list of the most dramatic events of the year. It is already clear that not entering the Customs Union in 2014 means that Armenia will have to join the Eurasian Economic Union (EAEC) not as a founding member, but as a "sideliner". At the same time, the impossibility of combining EAEC membership with entering into a free trade zone with the EU creates a largely geopolitical choice for Yerevan. The concept of "complementarity" endorsed by RA government for many years is no longer acceptable at least for one of its partners-Russia.

The choice of orientation and development model is directly related to the state of democracy and civil society (CS). In 2010-2013 there was quite an active debate regarding the relationship of the state and non-governmental sector in Armenia, as well as regarding the issues of legislative regulation of those relations. On one hand, the authorities designed draft amendments to the law on non-governmental organizations and created the Public Council under the president which introduced a strategy for development of the civil society. All these, and a number of other initiatives assumed a significantly increased control over the institutionalized civil society by the political power. In other words, the model used in Russia and some other post-Soviet countries was being promoted. On the other hand, the part of the civil society which finds its main mission in independent criticism, expression and promotion of alternative positions on a variety of issues, declared that the proposed initiatives were completely unacceptable.

In 2014, despite the choice of the Eurasian vector, the state of "static equilibrium" between the two concepts of civil society development persisted, however some trends indicate about the threats of further development in the unfavorable direction. Despite the assurances to continue close cooperation with the Armenian civil society, the European Union clearly reduced the requirements for the Armenian government for openness to civil society. The latter was expressed by reduction of CSO role as a participant of decision making processes and assessor of reforms endorsed by the EU. At the same time, the reforms have lost their momentum and the international legal basis due to expiration of the Partnership and Cooperation Agreement and the absence of a new bilateral document. RA authorities were able to return to imitation of a dialogue with the independent civil society (excuse the tautology- **author**) and interaction with easily controlled and "persuaded" segment of civil society. The threat of introduction of provisions reinforcing government control over CSOs into the legislation on non-governmental organizations is more real than in 2013.

At the same time, Armenian National Platform (ANP) of the Eastern Partnership Civil Society Forum, despite being practically deprived of the status of institutional participant in the Eastern Partnership process, and failure of becoming an effective tool for dialogue with the government and advocate of radical democratic change (as it strived to be in the past 1-2 years), has not avert going GONGO.

Reform-minded CSOs which set the tone in the platform are used to confrontational communication with the authorities, when the latter are not interested in fundamental changes. Moreover, ANP declared in a statement that it refused to further consider the

authorities as the main (if not the only) partner in promotion of reforms and is ready to cooperate with all political forces and informal civil society initiatives if they share a common agenda with the Platform.

Civic activism has established itself as a serious factor in the modern public life of Armenia. Socially active people, mostly educated youth, have gained quite a strong influence on public opinion, and even the behavior of the authorities through social networks and street protests. The advent and high significance of this phenomenon has to do first of all with the low level of legitimacy of the authorities, making them vulnerable to any mass public actions; secondly, the effective reaction of activists to urgent topics of public concern; thirdly, the traditionally high efficiency of street protests which originated in Armenia in the late 1980s; and fourth, the weakening of public support for the political opposition, resulting in the switch of public attention to informal civic movements. Obviously, many (both, representatives of the authorities and various political groups) are trying (and will continue these efforts) to use the asset of mass rallies for their own interests. Although such movements do fall under the manipulative influence of narrow political interests from time to time, informal activists have so far managed to refrain from conformism and involvement with political parties. It is obvious that their accumulated capacity no longer fits into the strategy of sporadic actions and sooner or later will evolve into a more institutional form. One option could be to conjoin the potential of civic actions with the agenda of European orientation, as an alternative to the official course of the RA. Another option is the emergence of leftist movement on the basis of non-formal activism which has been largely absent in the political spectrum of Armenia during the entire post-Soviet period, despite the depth of social problems.

In this light, the future of a multiparty system in Armenia seems troublesome, which hampers the interaction of civil society not only with the government but also with the opposition. On one hand, a total merger of big business with the government, represents a classic case of "state capture" by the private interests of a narrow circle of people, and deprives the opposition from sources of funding. On the other hand, the periodic exclusion of opposition parties from social and political processes (apotheosis of which was the exclusion of the main opponents of the incumbent president from 2013 elections and inaction of even pro-European parties to change the course back to European integration) reinforced the public perception that parties exist solely for themselves, but not to solve the problems of the people. Especially since the public sees how the opposition parties resort to collaboration with oligarchy, and ultimately with the government to sustain their existence.

Today we witness in Armenia a sluggish process of formation of new political forces which intend to take into account the mistakes of the predecessors, however this does not cause much public enthusiasm. At the same time, the main players of the field do their best to discredit any new political initiative. It would seem that nothing threatens the persistence of the scheme "power-money-power" (or "money-power-money") in Armenia. "State capture" provides all conditions for a consistent conversion of one resource into another, regardless of the reaction of the public to the process. The use of administrative resources, vote buying, apathy among the voters, low expectations of the international community regarding the electoral processes in Armenia secure the smooth reproduction of the regime. The "Eurasian environment" only makes it easier. Revolutionary steam that could blow up the boiler is released through mass migration. Most of the frustrated population finds the solution not in the revolt, but in the search of a better life outside Armenia.

Hopes for change are increasingly associated with civil society - both institutionalized and informal, with determination not just to promote but rather to lead progressive processes. Relative freedom of information in Armenia largely contributes to evolution and accumulation of forces capable to lead such processes. This primarily refers to social networks and numerous online media outlets. Despite the manipulative, politically biased nature of many online media projects, we can say that the field is dominated by the spirit of freedom and progress. Years of cooperation with the EU were not in vain; non-repressive policies in a number of areas related to functioning of democratic institutions, including the Internet, has provided a ground for exchange of opinions and competing ideas. Civil society has it all except the willingness to take responsibility. Of course, being an objective observer and critically assessing the situation is much more comfortable than taking on big problems. But the realization of "if not me, who?" comes sooner or later, doesn't it?

SOME PRIORITIES FOR THE FUTURE EU-RA COOPERATION

April 2015

The upcoming 4th Eastern Partnership summit and review of European Neighborhood Policy implemented by the European Commission require certain assessment of Armenia's involvement with the EU and the role of various actors in it, including the civil society. Especially important is evaluation of the recent, quite critical stage of this involvement.

Armenia's submission to perceived Russian pressure followed by the announced decision (on September 3, 2013) of the RA government to join the Customs Union and thus indirectly reject initialing of the Association Agreement with the EU not only undermined the European integration process of the last years, but also led to a threat of retreat from reforms agenda, as well as democratic and accountable decision making processes. After the Euro integration concept was seriously questioned, no actual formats, consistent dialogue process or clear content came to replace or update the Partnership and Cooperation Agreement, ENP Action Plan or negotiations on Association Agreement. This created certain problems for Armenian civil society to formulate its role in the context of RA-EU cooperation.

In this regard, Armenian national platform (ANP) of the Eastern Partnership Civil Society Forum, being a vibrant integral part of the Armenian society, dedicated to the prospect of European integration of the country, expressed its deep concern with the current deterioration of the situation and prioritized the need for the development of a new agenda for cooperation with the EU, which would allow to properly address the new challenges and define the place for the civil society to remain engaged and to contribute to development of the country.

There are actual risks and challenges in the situation preceding the Eastern Partnership summit to take place in Riga. Despite the great deal of controversies and distrust towards the incumbent government of Armenia, civil society sector was considering the RA authorities as partner under the premise of the common agenda of European integration. After the abrupt retreat of September 3, 2013, a great gap in the strategic vision, priorities and objectives appeared between the RA authorities and the independent civil society sector, which is an obstacle for a constructive interaction between the two. In this light, the differences will exacerbate also between genuine CSOs, who will remain loyal to their values, vis-à-vis the so called GONGOs or BINGOs, who as always will adopt a more accommodating approach towards the government. This will further deepen the divide in the CS sector and essentially decrease its efficiency if the new reality would not be adequately addressed by the civil society itself, as well as international/donor community. Thus, whatever will be the new format and content of legally binding agreement between the EU and RA, it should address engagement of the civil society. And the EU policy in this direction should include mechanisms of identifying true supporters of Europeanization and rejecting fake CSOs.

Another challenge: with the accession of Armenia into the Customs union the government is expected to import the model of increased control over the civil society. Legislative initiatives on democratic institutions, rights and principles (freedom of assembly, non-governmental organization, media, non-discrimination, etc.) which are currently being circulated and discussed with the civil society contain a threat of being "corrupted" after they come out of

the current transparent and consultative process and appear in the parliament (a space of political decisions). Limitations of the ways and means for consolidation, mobilization and raise of the efficiency of the civil society may be targeted against some of the basic freedoms that are real achievements of Armenia during the recent years. Absence of strong involvement of European institutions in the national law-making process, which was a powerful factor within the process of negotiations on Association Agreement and promised to be even more powerful if AA would have been signed, may leave Armenian pro-democratic community alone against reactionary trends.

In other words, the repercussion of the questioned policy of EU integration that cannot be altered is that the civil society currently disposes less means and mechanisms for having any visible influence on the government. Understandably, agenda of EU engagement in Armenia is now less ambitious which may make participation of the civil society institutions, their influence on those initiatives less binding. The consequence of this will unavoidably be decrease of the advocacy resource of the civil society.

In the context of recent developments in Ukraine, manipulations with public opinion in Armenia, ideological pressure from the mainstream Russian media essentially damaged perceptions about the EU, level of acceptance and identification of European standards and values. Unfortunately, Armenian media appeared to be unable to balance the bias in coverage of those developments by leading Russian TV channels, and to ensure information security of the country. As a result, the local audience became one of the targets of propaganda war carried out by Russia. In fact, the idea of European integration suffered in Armenia much less after the decision of RA leadership to join the CU, than during the Ukrainian crisis. It caused additional difficulties for the Armenian civil society in its work with the public towards promoting democracy, human rights, tolerance, diversity, which are associated with European political and societal model.

Given the above mentioned risks and challenges for the civil society, the following implications should be taken into account when designing the future strategy for EU-Armenia cooperation and engagement of the civil society in it.

More than before the donor community should consider the integrity and commitment of the applicants when giving out EU grants. Given the government's imperative for accession into the Customs union, the funds allocated from EU might be used for integration with CU, when in wrong hands. In order to minimize these risks the procedure for application should be revised and improved. Background, history as well as the integrity of the applicant organization should be thoroughly considered before making a decision for allocation of funds. The traditional exercise named "mapping of civil society" should be reviewed in a way that it would contain more information for immediate pragmatic use.

In this light, there is a need for a robust body of research in the field of Armenian civil society which would provide a comprehensive and objective data and carry out an inventory of the existing civil society institutions in Armenia. Although such efforts were initiated and implemented in the field, including with EU funds, regrettably these pieces does not sufficiently reflect the objective realities in the NGO sector of Armenia. In order to fill in the existing gap there is an urgent need for a careful groundwork and objective mapping of the Armenian civil society institutions with an added value of practical knowledge and in-depth understanding of the CS sector. Given its status, experience of consistent cooperation with

NGOs, and large scope of activity, EaP CSF Armenian national platform stand out as a competent body which qualifies for this role.

In regard with another mentioned risk of further alienation of civil society institutions from decision making and restriction of the mechanisms for influencing the authorities, implementation of capacity building projects should be prioritized, in order to increase the resistance capacity of the NGOs in face of new restrictions. In this context, the projects towards strengthening the fundamental freedoms should also be very much encouraged.

Equally important is the deeper engagement of Armenian civil society with CSOs of other 5 countries of the Eastern Partnership. Given the different stages of integration and peculiar developments in each of the partner countries, the exchange of experience and face to face interaction through bilateral and multilateral formats can greatly enhance the capacity building, responsiveness and coordination among the non-governmental sector of the region.

Greater support is required to the initiatives linking the independent pro-democratic civil society with the media. This could positively influence general information environment in Armenia, create a balance vis-à-vis information flaws discrediting democratic values, principles of equal rights and opportunities, which have been challenged during recent months more than ever. Initiatives to raise public awareness of the Armenian public through informal, live, face to face discussions addressing artificially rooted stereotypes about European integration process and its instruments are also of great demand. Working on materials that will destroy myths about draft Association Agreement negotiated between the EU and Armenia should also be on our agenda. Support of respective projects by the EU would also be very much required in Armenia as part of work with the civil society.

The more seriously the above mentioned methods of addressing the existing challenges will be taken into account in Riga summit and following bilateral work on the status of EU-RA relations, the more effective the latter would be. Consistent efforts to build trilateral dialogue on the reform agenda with the involvement of national government, EU structures and civil society (primarily the CSF Armenian national platform) will necessarily be paid back.

POLICY DIALOGUE: OPPORTUNITIES AND CONTROVERSY

May 2015

Dialogue between the authorities and the society is an overly discussed topic in Armenia. It has become trendy primarily due to different projects funded by the West which assume public involvement and participation. The importance of the dialogue is acknowledged by the authorities, political parties as well as by non-governmental organizations, representatives of expert community and mass media. In particular, much attention is being paid to development of the culture of policy dialogue. However, tangible progress in this regard is observed only by government circles and affiliated entities. The latter admit the existing obstacles to dialogue but justify them by natural, objective reasons. Whereas their opponents tend to explain the lack of dialogue or its failure with systematic problems of the state and the country which cannot be solved by themselves and require fundamental changes.

Majority of government representatives believe that NGOs are often incompetent but at the same time ambitious, while according to widely accepted opinion among the civil society sector, both the executive, legislative and local government mostly imitate cooperation with non-governmental sector. During discussions in government-civil society format, communication as a rule takes place in top-down manner, that is, the government simply informs about its decisions and plans, while listening (in the best case) but never taking into account the alternative approaches and suggestions of the other side. This aspect was also confirmed in the recent [study](#) conducted by Yerevan Press Club and the Secretariat of the Armenian National Platform of the Eastern Partnership Civil Society Forum, with the support of the EU-financed [“Civil Society: Dialogue for Progress” project](#).

Conflicting perceptions regarding the cooperation often cause confrontation between the sides. Authorities believe that in certain sectors (environment, electoral processes, property rights, etc.) active citizens are overly radical and even resort to provocation at times, whereas the opposite side justifies the radical approach with the intolerable situation in those sectors. In other words, conflict is being labeled as “politicization” whenever the position of independent civil society institutions touches upon the essential and generally illegitimate interests of the leadership. Limiting the dialogue to areas where the likelihood of threatening those interests is minimal or does not exist at all, will practically reduce the role of NGO sector to an unacceptably narrow scope. It should not be denied that political aspirations of certain civil society representatives hamper effective communication, however this is more of an exception to the rule.

As already mentioned, opportunities of effective dialogue are largely determined by foreign policy factors. During the negotiations around the Association Agreement with the EU, involvement of the civil society was becoming more significant. In the absence of such processes it is hard to expect any initiative of dialogue coming from the RA authorities. The role of the civil society is still given much importance in the framework of the Eastern Partnership, however the uncertainty in EU-Armenia current relations excludes the country from modernization agenda and consequently from effective dialogue. As noted by one of the participants of the above mentioned study “World oil price hike will not affect those who ride carts”.

Before the beginning of the EU Eastern Partnership program in 2009 policy dialogue was largely a formality, however during the active phase of the EaP its efficiency significantly rose. At the same time, it is alarming that the involvement of the civil society in the reform agenda is contingent upon international programmes. But the common perception that the government turns to NGOs only when public participation is a precondition for receiving large financing from abroad, is well grounded, and the developments of the past two years have largely confirmed that.

After the September 3 of 2013 Armenian politicians have repeatedly stated that accession to Eurasian Economic Union will not hinder the democratization of the country, however such optimism is not shared by the representatives of NGO sector. Even if the opponents of the government will not be persecuted the way it happens in EEU partner countries, the practice of the authorities to take into account the civil society will lose its impetus, before even being fully established. Eurasian projects do not really assume public participation. At the same time, in the absence of European integration aspirations, EU structures although retain the practice of NGO empowerment and involvement, however have quite vague vision regarding their role in the existing situation.

In this unfavorable environment, consolidation of the NGO sector, more precisely its independent parts, becomes crucial. Nevertheless, we witness the opposite, including distrust, competition, struggle for superiority and “copyrights” in different domains. Often, this kind of behavior is encouraged by donors and becomes a consequence of the competition for their sympathy. This kind of fragmentation allows the authorities to “reach an agreement” (or create the impression of consent) with the most “convenient”, “not problematic” (i.e. loyal) representatives of the sector. As a result, effectiveness and reputation of non-governmental organizations among the general public is undermined. In this regard, NGOs themselves should be concerned with the issue and try to come up with solutions, especially since no other party is going to do that in the existing situation.

Today civil society faces a challenge with presenting its positions on the political level. Representatives of political parties explain it with the artificial divide existing between NGOs and political forces, whereas only the cooperation of the two can create a resource able to counter the monopoly of the government in decision making processes. On one hand, due to various factors a clear dividing line occurred between political and civil society sectors of Armenia, which is also reflected in the legislation. On the other hand, it can be speculated that although political opposition has repeatedly expressed its willingness to cooperate with the NGO sector, the latter was driven back due to lack of consistent action on part of politicians. There is a growing belief that the civil society is able to influence government policies more effectively than the political opposition, and thus it does not need the political parties. However, the effectiveness of such influence can be ensured only if civil society acquires the capacity of acting in the political domain.

One of the ways of participating in the policy dialogue on the political level is to attend parliamentary hearings. This is a platform where it is possible to acquire the necessary skill of bringing the right arguments and the ability of being convincing in a debate that is not always constructive. Participation of competent NGOs in parliamentary hearings can be quite productive, however it is not always ensured. A case in point was that civil society organizations seeking activation of EU-Armenia relations were not duly represented in a

parliamentary hearing ahead of the Riga summit of the Eastern Partnership. At the same time, we cannot state that the civil society fully exploits all opportunities of dialogue.

Another essential resource that the NGOs should use effectively is the mass media. Moreover, enforcement of reforms by the civil society is practically impossible without media. Although the claims that Armenian journalism is preoccupied with the issue of its own survival, that it covers only “sensational” events, and lacks competence, are well justified, however it is also undeniable that Armenian media is quite open for the civil society. In the context of political stagnation NGOs stand out as important newsmakers. Tendency of journalists to cover topics related to the civil society is driven by their interest to participate in grant projects. In particular, the frequency of referring to civil society representatives in TV coverages and publications regarding European/Eurasian integration is quite high. According to a study conducted in May 2015, involvement of NGO representatives in corresponding media content was 12.2%. Mass media also invite NGO representatives to discuss certain topics, which, in a way, is because the latter are willing to speak unlike authority representatives and politicians who are quite passive in the public discourses.

Civil society organizations have inevitably become the main driving force and the most consistent advocates of reforms, and can no longer keep to the role of a mere external evaluator under the new circumstances. Instead, they should use all the opportunities to practically influence current processes.

PROPAGANDA WAR HAMPERING EASTERN PARTNERSHIP

June 2015

Along with economic difficulties and geopolitical confrontation the Eastern Partnership faced another challenge – the propaganda war. It began to unfold on the eve of the EaP Vilnius Summit in 2013, due to Moscow's disapproval of the prospects of deeper European integration of the four post-Soviet countries which were planning to sign an Association Agreement with the EU. By the next summit in May 2015 in Riga, propaganda took truly large scales. It is no accident that for the first time one of the most important side events of the summit was the media conference dominated by the issue of propaganda.

In all six countries of the Eastern Partnership television remains the main source of news and political information for population, more precisely for around 80% of the audience, with slight variations in each of the countries. Thus, TV is the most effective tool of influencing public opinion regarding the key issues of domestic and foreign policy; therefore it is being widely exploited by the initiators of propagandistic confrontation.

In three out of six countries of the EaP, namely Armenia, Belarus and Moldova, Russian TV channels remain important players on the information field. In these countries programmes of leading Russian broadcasters are aired in open access – whether under international agreements, or are relayed by local broadcasters, or via so-called “hybrid” channels. To varying extents, they are among the most popular media. In addition, dozens of other Russian channels are available to the audience of those countries through services of cable operators. For the majority of the population of these three countries there are almost no language barriers to obtain information from Russian medias, thus the size of the audience of Russian channels in the EaP countries is second only to national broadcasters if not the first.

However, the greatest political influence of Russian media on public opinion is observed in those countries where there are no restrictions for broadcasting of Russian media, and Armenia in this regard is a special case. On April 7, 2014 Armenian National Platform of the Eastern Partnership Civil Society Forum expressed its deep concern over the programmes and newscasts of Russian TV channels relayed in Armenia which overtly advocate xenophobia and spawn hatred between nations. The statement noted that this tendency has become more obvious in the context of recent political developments around Ukraine. Along with discrediting Ukraine as a failed state after the Maidan events, Russian TVs sharply condemned the United States for violating the norms of international relations, and depicted the European Union as an instrument in the hands of Washington used against the common interests of post-Soviet countries. Hate speech was also widely used in the coverage of those developments.

It was no coincidence that the head of “Russia Today” state company, host of information-analytical programmes on “Russia 1” TV Dmitry Kiselev was included in the list of “undesirable persons for the European Union”. Calls for suspension of free transmission of Russian TV channels, primarily news and political shows that contain aggressive propaganda and thus expose public opinion to ideological manipulation, were made in a number of EU and EaP countries. The statement of the Armenian National Platform of CSF noted that dissemination of that kind of propaganda on the territory of the Republic of

Armenia is illegal as it violates the RA Constitution (article 14.1), national legislation (namely, several clauses of article 24 of the Law “On Television and Radio”), as well as international conventions ratified by Armenia which prohibit incitement of xenophobia and ethnic hostility. This inflicts considerable damage to information security of the country, its friendly relations with other nations, and destabilizes social life. As a matter of fact, Russian TV channels occupying frequencies which constitute a limited public resource, act against the national interests of Armenia.

In this regard, the appeal of representatives of the Armenian civil society to consider the legality of the activities of media companies which relay programmes of propagandistic nature was well reasoned. Ensuring the compliance of the content of all licensed TV companies with RA legislation (Russian channels are relayed in free access based on licenses issued by the National Commission on Television and Radio) is the primary responsibility of the Armenian regulatory body. However, no official reaction from the Commission followed, while the representatives of the ruling circles unofficially referred to the political conjuncture, excluding any rigor in relation to the media of the strategic ally.

The issue perhaps would not be so critical if Armenian broadcasters were able to present an alternative coverage that would counter the image of the world depicted by Russian media since Moscow have launched its undeclared propaganda war against the West. Moreover, “Euronews” TV (namely its version in Russian), which provides a different perspective of international developments, has been made inaccessible to those in Armenia who are not subscribed to cable television packages, i.e. more than half of the population. Russian-language TV channels perceived as oppositional (e.g. “Dozhd”/“Rain”, RTVI) are not available in Armenia even through cable packages. Interestingly enough, population of the countries which signed the Association Agreement with the EU (Georgia, Moldova, Ukraine) can watch the programmes of those broadcasters, whereas other three countries of the EaP (Azerbaijan, Armenia, Belarus) do not have access to them, except on internet.

Sensitive factor for the Armenian audience was the wide presence of people with Armenian surnames in political and news programmes of Russian TV channels and mass media in general. Majority of those people strongly advocate the stance of the Russian government (in other words, anti-Ukrainian, anti-Western stance), among them film director Karen Shakhnazarov, political analysts Andranik Mihranyan, Sergey Kurginyan, Semyon Bagdasarov, Arayik Stepanyan, director of “Russia Today” TV company Margarita Simonyan, talk show host Roman Babayan, head of «Lifenews» Aram Gabrelyanov. There are also many Armenians among reporters of Russian media covering the events in the south-east of Ukraine, in stories about militias of Crimea and Donbass, and coverages about problems of the population of these regions. Although during that period Armenia was rarely covered by leading Russian TV channels, due to described circumstances and traditional sensitivity to our compatriots abroad, Armenian audience identified with the news stories and debates on Russian channels. Armenian society found itself divided by sympathies and disapproval of Moscow’s policy, and the presence of Armenians in the camp of Kremlin supporters made for an additional nuance in a major confrontation. Moreover, in the context of US-Russia, EU-Russia, Moscow-Kiev standoff, conflict within the society mainly evolved around issues that had little to do with our national interest.

Along with purely political issues such as statements about the futility of European integration for post-Soviet countries, aggressive stance of the US and other countries united

in NATO, about formation of “fifth columns” by the West and incitement of “color revolutions”, propaganda techniques are also used to discredit values through breaking positive stereotypes. Eradication of the stereotype of adherence of Russian society to European values, claiming that Western ethics contradicts the Christian tradition, have become important elements in the work of Moscow’s propagandists, and had a significant impact on the Armenian audience as well. This aspect should necessarily be taken into account when considering the possibilities of future progress of EU-Armenia relations, by developing an appropriate set of measures in the sphere of information.

WHAT ARE POST-RIGA PROSPECTS FOR ARMENIA?

July 2015

Eastern Partnership Riga summit in May 2015 ended on a rather optimistic note for Armenia. This optimism, though, was not associated with any significant success of the official Yerevan on the path of European integration, but rather with the fact that THE meeting in Riga was not marked by new major achievements for any of other EaP countries. Contrary to expectations, Georgia and Ukraine did not make any progress in regard to visa liberalization with the EU. As for Moldova, which had already entered a visa-free regime with the EU, there were mostly concerns over corruption scandals, rather than praise for the achievements. Azerbaijan and Belarus were not even represented on high level. The general ambience of the summit was riddled with anxiety over the security on the European continent, primarily due to the conflict in the east of Ukraine, gloomy economic forecasts caused by sanctions standoff with Russia, contradictions within the EU regarding the depth of integration with eastern neighbors, etc.

In this context, the statement on the adoption of a mandate for the European Commission to start negotiations on a new agreement with Armenia without any visible problems and frustrations associated with Yerevan, stood out as a major event in Riga. It appears that other challenges faced by the European Neighborhood Policy in recent years contributed to recovery from the shock of September 3, 2013, when Armenia gave the preference to Eurasian Economic Union. On the other hand, the absence of more significant events in Riga was quite natural. Unlike similar events in Prague (May 2009) when Eastern Partnership was launched, in Warsaw (September 2011) when the set of countries going to association with the EU was finally determined, in Vilnius, where it was scheduled to sign the agreement with Ukraine and initial the agreements with three other countries, the Riga summit was intended more as a current, working event without loud formalities. Hence, one should not overestimate the progress in EU-RA relations, the way the official circles, pro-government politicians and the media in Yerevan tend to do. In any case, it makes sense to draw conclusions for Armenia from the six years of the EaP, and consider it in the context of Armenia's engagement with the Eurasian integration project. In particular, assess the prospects of the civil society on the eve of the expected new round of bilateral negotiations.

Integration with the European family was promulgated by the Armenian government as one of its major foreign policy directions. Since 2010 the progress in EU-Armenia cooperation was evident. Armenia's Euro-integration efforts were crowned with negotiations over the Association Agreement with the EU, including the Deep and Comprehensive Free Trade Area Agreement (DCFTA). On June 24, 2013, the High Representative of the Union for Foreign Affairs & Security Policy Baroness Catherine Ashton and the EU Commissioner for Enlargement and ENP Mr. Štefan Füle officially declared that the EU and Armenia completed these negotiations.

The situation changed after the September 3 statement by RA President Serzh Sargsyan about Armenia's intention to join the Russian-initiated Customs Union, which resulted in failure to initial the Association Agreement with the EU, scheduled for the EaP Vilnius Summit on November 29, 2013. However, U-turn of Yerevan, followed by Vilnius Summit were important events that enabled to "check the realities," to clearly and adequately

formulate the achievements, failures, ambitions, and the degree of responsibility of every player in the country's relations with the European Union.

According to the statements of Armenian National Platform of the EaP Civil Society Forum, "by rejecting European integration in favor of another integration model, Armenia ended up losing the most significant opportunity for taking its statehood to a new qualitative level and stepped on a track full of threats to Armenia's sovereignty and national security. The prospects for reforms in democratic institutions, human rights and other spheres were challenged".

After Armenia signed the agreement to join the Eurasian Economic Union (EEU) on October 10, 2014, the civil society became anxious not only about the state of democracy in the country, but also about its own role in promoting reforms. In this situation, the CSF Armenian National Platform intended to continue wide public discussions on the developments in the Armenian foreign policy and prioritized public awareness about all the risks associated with the new political realities. It was crucial for the pro-European circles in Armenia to gain stronger support among the public.

After the September 3 the process of institutional and regulatory changes towards approximation with EU standards, in the framework of the ENP Action Plan was mostly suspended, and some achievements even fell under the risk of being overturned. According to the scores of European Integration Index edition issued in 2013 (Yerevan Press Club coordinates the research in Armenia), where consequences of the Eurasian shift of Yerevan were not yet displayed, RA had the best results in the approximation dimension. And the civil society, along with the expert community, is among players that could slow down the "counter-approximation", which is almost unavoidable due to commitments assumed before new Eurasian partners. The sooner new legally binding document between the EU and Armenia will be enacted, the less of the earlier achievements will be lost and chances for further reforms will appear.

Despite the announcement on upcoming negotiations and regular statements of the Armenian government about its readiness to continue cooperation with the European Union, the current situation in EU-RA relations can be still characterized as ambiguous. The format and content of bilateral relations remain unclear even after Riga summit. In the context of continuing tension between Russia and the West and a decisive influence of Moscow on the foreign policy of Yerevan, the Armenian authorities are not likely to have ambitions regarding the agenda of cooperation with the EU. European Commission, having the experience of September 3, 2013, and the total absence of initiative coming from Yerevan in 2014, will not insist on deeper integration with Armenia.

The scoping exercise implemented by the Armenian government and European commission early in 2015 allowed to determine which part of the draft Association Agreement negotiated in 2011-2013 can be retained in the new bilateral document. That part is quite big and if it all would be included in the new legal agreement, the prospect of European future for Armenia will be preserved. Therefore, it is up to pro-European community in Armenia to make all possible efforts and compensate the lack of proactiveness of both official Yerevan and Brussels by promoting the new ambitious document.

CONSTITUTIONAL REFORM: QUESTIONED NECESSITY

September 2015

The history of adoption and amendment of the Constitution of the independent Republic of Armenia is closely linked not only with the formation of the national statehood, but also with the process of implementation of the European political and civilizational model in Armenia. The Europeanization course was central to the work on the Constitution of 1995 when there were many references to French experience. Although the draft Constitution was being criticized then for vesting too much power with the president, it is undeniable that the Main Law adopted back in 1995 fully corresponded to a status of a European country. Amendments to the RA Constitution introduced in 2005 were directly related with fulfillment of commitments before the Council of Europe, including the establishment of the institute of Parliamentary Ombudsman and the system of local self-government. Although the processes of voting and vote counting largely discredited the referendums of 1995 and 2005, it is hard to challenge the validity of those initiatives.

In this sense, RA president's initiative to change the Constitution in 2015 lacked proper justification. The current Constitution does not hamper the execution of the most urgent reforms and fulfillment of international obligations. Even if it does contain provisions hindering the improvement of the legislation, for example, in the field of media or public administration, the draft amendments did not touch upon those provisions in any way. There is no constitutional crisis and the obstacle for democratic development of the country is not the Main Law, but the absence of political will among the RA leadership. There is no public demand for such changes, which implies high risks of low turnout and consequently of large-scale fraud. There is no broad political consensus around this initiative, which is an essential precondition for constitutional referendum in civilized international practice.

Indeed, many opposition parties for years spoke about advantages of parliamentary model over the presidential or semi-presidential ones. However, it is obvious that existence of strong political parties and conditions for their development are essential for the envisaged transformation, while during the last years we witnessed decline in this sphere. Serious and well-founded reservations of civil and political structures regarding this initiative limit the opportunity of wide, open and constructive discussion.

Widespread perception among the public is that the new Constitution (the document presented for the referendum is indeed rather a draft of a new Main Law than amendment thereof) ensures reproduction of the existing leadership. At the same time it would be too simplistic to read it as an extension of the rule of the incumbent president. There are no guarantees for Serzh Sargsyan to remain the leader of the country after expiration of his second term. Thus, when talking about reproduction, one should understand that it is rather the current ruling elite being reproduced. The latter seeks to avoid the risks of losing the monopolist positions in politics, economy and legal system when the final second term of Sargsyan's presidency expires, and abolition of presidential elections would be the best solution in this regard. This will allow to bypass the complicated process of reaching a consensus over the one who will be the new head of state, and also to prevent a new wave of political activity of citizens, which rises during the presidential campaign and is usually aimed at change of power. Cases in point are the developments of 1996, 1998, 2003, 2008, 2013... Not to mention the fact that sustaining the power in the period of the elections, especially presidential, is quite costly for the elite in purely financial terms. Therefore,

transition to a parliamentary system is the solution that saves them from main risks in the absence of an obvious, mutually acceptable “heir to the throne”.

Along with absence of valid grounds for changing the Constitution, concerns over the upcoming referendum have to do with the existing gaps in the relevant legislation and vicious practice of national elections in the country. It is hard to expect public trust in the voting results and therefore, there is not much hope for reinforcement of legal foundations of the state under these circumstances. In particular, despite the amendments to the Law on Referendum on June 10 of the current year, neither the issue of publishing voters' lists, repeatedly requested for many years, nor regulations regarding promotion campaigns in media, were given appropriate solutions.

Finally, the absence of clear and adequate strategy of the incumbent government concerning most serious internal and external challenges that Armenia is currently facing, such as the establishment of the rule of law, eradication of corruption and ineffective governance, adequate responses to geopolitical shocks, etc., should not be disguised under the illusion of constitutional amendments, which is perceived merely as pursuit of political ambitions.

In this context a very reasonable and responsible position was stated by the Armenian National Platform of the Eastern Partnership Civil Society Forum. Not excluding that the existing Constitution contains provisions which require certain amendments, ANP expressed its deep concern regarding the process of revision of the Main Law, since the initiative is untimely and does not derive from the interests of the state and the society.

The Platform is convinced that constitutional reform should be clearly separated from the current political ambience, which is impossible in the present situation. It urged the RA authorities to postpone the referendum on constitutional changes until after the forthcoming national elections, within a reasonable timeframe. This would allow all political forces to engage in further discussions on the constitutional amendments and present their own positions on this issue in their pre-election party platforms. The public trust towards the postponed referendum could be ensured through free and fair administration of the upcoming elections in 2017 and 2018 by the RA authorities.

Although, as noted above, this time the initiative to amend the Constitution was in no way related to the course of Europeanization of Armenia, the process may leave a certain mark on the perceptions of the country's cooperation with European structures. The authorities will undoubtedly use the expert opinion of the Venice Commission to legitimize their goals, whereas the traditionally low interest of the EU, the Council of Europe and the OSCE to observe the referendum vote will be perceived by the Armenian society as endorsement of fraud. What is more, the coincidence of timing of the referendum with the start of negotiations on a new agreement between the EU and Armenia can hardly be called favorable.

REMAINING AMBIGUITY ON THE EVE OF EU-RA NEGOTIATIONS

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It is obvious that the ENP review being prepared by the European Commission and EEAS will provide for differentiation of the policy implementation in the Eastern Partnership countries. Deeper cooperation is envisaged for those partners who signed Association Agreements, whereas country specific approach will be offered to the other three – Armenia, Azerbaijan and Belarus. In particular, RA will start negotiations with the EU on a new legally binding agreement. Not only the final document, but also the working process on it will influence internal developments in Armenia, identify the chances for reforms in the country.

Some statements of the EU officials allow to draw conclusions regarding the lessons inferred by Brussels from Yerevan's U-turn back in September 2013. First, the EU will try to exclude any references of RA authorities to the unacceptability of jeopardizing relations with Russia, caused by agreements with the EU partners. In fact, Yerevan is expected to agree all controversial issues with Moscow beforehand and only after conclude respective chapters of the document with the EU. Secondly, Brussels will avoid a repetition of the situation in which the Armenian side at the last moment hesitates to sign the new agreement due to security considerations. In other words, Armenia could be asked to openly share all concerns in advance, for the European Union to assist in their elimination, or slow down/halt the negotiations. And if these two principles are duly observed in the course of the negotiations, the process might take longer time, but on the other hand it will be insured from the repetition of the U-turn.

Official Yerevan “takes pride” in that its “and-and” approach eventually prevailed, i.e. cooperation with the European Union is compatible with EEU membership and also that the agreement with the EU (“Association light”) should not necessarily include accession to Deep and Comprehensive Free Trade Area. In other words, it is claimed that the option offered by Armenia in the autumn of 2013 and rejected by the EU, has eventually proved its advantage over the Brussels’ position of “either-or”. However, this interpretation of developments is inaccurate and unlikely to contribute to a constructive background in the beginning of the negotiations. First, irrespective of the share of the content of draft Association Agreement of 2013 that will be transferred to the new document (80% or 20%), comparison of the two is generally incorrect, as they assume different levels of integration. Secondly, in 2013 European Commission by definition did not have a mandate to initial the Agreement without DCFTA, which is why offering such a deal was pointless, while it took two years for the EC to acquire the new mandate. Third, claiming the triumph of the “and-and” approach would make sense only if we were dealing with two equally deep models of cooperation, without one excluding the other. In this regard, it was the draft Association Agreement of 2013 which allowed for comparable level of cooperation for Armenia with Russia or any other third party. While membership in the Customs Union preferred by Armenia rules out same level of cooperation with other entities. So, where was the approach of “either-or” so shunned by Yerevan? And finally fourth, even if by some miracle the EU would have agreed to initial the Association Agreement with RA without DCFTA in 2013, Yerevan would still reject it, since the offer was made only because the Armenian side was sure that it was unrealizable. For Russia, which played a decisive role in the U-turn, the principal part was the symbolic accession of Armenia to its integration project and rejection of European integration, but not the practical content of those projects. The followed

developments confirmed that most of the mutual obligations in the framework of EEU are not functional and were doomed to be so.

Along with the objective assessment of what happened two years ago, it is also important for the EU to determine the role of the key players fully supporting Europeanization, for effective cooperation with Armenia in the future. In particular, it refers to the involvement of the relevant segment of the Armenian civil society. While Association Agreements with the three EaP “frontrunners” more or less define the mission of the civil society within the integration process, nothing is clear in the case of the other three countries, including Armenia. When addressing the issue of partners’ differentiation, ENP review naturally did not go so far to diversify also approaches towards the civil society in those countries.

The civil society was initially defined as an important institutional player in the Eastern Partnership, however currently diverse ambitions, aspirations and commitments of the partners require also development of country specific strategies for CS engagement. It could not work the same in, for instance, Georgia, where many actors representing NGO sector play essential role in decision making, and in Azerbaijan with its repressive policy towards all the opponents. The task of formulating new specific approaches is left to various projects and initiatives being implemented in EaP countries, however we do not see yet any concrete idea as how the issue will be addressed in the Armenian case. Absence of such ideas may result in deflation of the huge potential accumulated inside the pro-European NGO sector of this country.

Nothing is envisaged for the Armenian civil society and expert community as potential contributors to the process of development of the new legal document with the EU. Even the need of ensuring public awareness about the negotiations, which could be the role for the National Platform of the EaP Civil Society Forum, is left out. There are clear signs that Armenian government will try to keep the work on the document as close as possible. At the same time criticism and disapproval of RA interest to cooperate with the EU is expected to be even stronger than during negotiations on the Association Agreement. Since 2013 much resource was spent by Moscow to create in Armenia an anti-European front not only among politicians, but also in media and NGO sector. Migrant crisis in Europe, threat of a big war in the Middle East, unresolved problems in Ukraine, etc. will be widely used to manipulate the public opinion in Armenia. Thus, absence of an adequate response refuting the negative image of the EU created by propaganda machine will undoubtedly challenge the dialogue between Brussels and Yerevan. Adequate response to it, however, could emerge only through elaborated communication policy and mobilization of genuine civil society (as well as quality media) around that objective.

A lot was said about the need of independent evaluation of the projects and initiatives implemented in Armenia with the EU support, as well as assessment of the overall progress in the bilateral relations. However, there are no indications that watchdog role of the civil society is on demand in the new stage of EU-RA cooperation. Even the continuation of such successful initiative as European Integration Index measuring and comparing Europeanization process in the 6 countries is questioned now. Thus, despite certain enthusiasm related with the upcoming start of negotiations, the prospects for European future of Armenia appear quite ambiguous.