

Armenia: the Eastern Partnership's unrequited suitor

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»» Armenia came to the EU's attention relatively late in comparison to other Eastern European countries predominantly due to its lack of energy resources. The EU's diplomatic efforts in the South Caucasus have been mainly focused on revolutionary Georgia, energy-rich Azerbaijan, and the fear that conflicts in the region may endanger the EU's energy diversification plans. However, under the EU's all-encompassing approach Armenia also appeared on the EU's radar, and in 2004 along with Georgia and Azerbaijan was included in the European Neighbourhood Policy (ENP). Since a bloody political crisis in 2008, democratisation has stalled and the country remains brittle.

While voicing its EU aspirations, Armenia has not been as outspoken as its Western neighbours, Georgia, Moldova and Ukraine. The conflict with Azerbaijan over Nagorno-Karabakh, the closed border with Turkey and the negative economic effect of Georgia's conflicts have put Armenia in a difficult geopolitical situation. These factors have encouraged its Russian-oriented foreign and security policies. Moscow's role as a security guarantor is evidenced by Armenia's membership in the Moscow-led Collective Security Treaty Organisation.

Nevertheless, Armenia's interest in the EU has grown since the launch of the Eastern Partnership (EaP) in 2009. Unlike other EaP partner countries Armenia's government, opposition and civil society have been more optimistic about the EaP's potential to generate substantial benefits for their country. Ahead of the EaP summit at the end of September, Armenia's government hopes its progress in reform will be positively assessed and rewarded by greater EU assistance, and that the issue of conflict resolution in the neighbourhood will receive more attention.

HIGHLIGHTS

- Government, opposition and society in Armenia are united in their support for European integration, but are divided in their approaches to its implementation.
- The Armenian government has demonstrated openness in accepting EU norms, but compliance has suffered.
- The EU is seen to be driven by energy interests in the South Caucasus, while Armenians expect it to contribute to democracy.

»»»»» **ARMENIAN VIEWS ON EUROPEAN INTEGRATION**

At least publicly, the government, opposition parties and society are united around the idea of European integration. All main political parties in Armenia support European integration, though they frame the issue differently. The opposition parties are more outspoken in their support. The Heritage party declared that accession to the EU should become the principal orientation of Armenia's foreign and domestic policies. The Armenian Revolutionary Federation Dashnaktsutyun claims there is no alternative to EU integration as it is Armenia's path to internal and economic development. Although the ruling coalition parties do not mention full integration as an end goal, they agree on the need to focus on deepening relations with the EU and getting closer to EU standards. However, the constant floor-crossing of Armenian political parties and the lack of comprehensive political manifestos makes them unreliable partners in EU integration.

The government speaks of EU integration as an economic opportunity in terms of trade, investment and aid, as well as improving Armenia's position in the region. As one observer put it: the ruling elite wants to belong to a good club. However, despite popular support for EU integration, the government cautiously avoids talking of membership so as to safeguard its relationship with its strategic Russian partner. In addition, the membership goal is seen as unrealistic, and the government does not want to raise people's expectations.

Armenia's foreign policy is based on the principle of complementarity, which entails positive relations with all states in the region as well as those with regional interests. As an Armenian diplomat put it, Armenia has tried not to exploit the differences between Russia and the West, a strategy unsuccessfully employed by Georgia.

The National Security Strategy of 2007 names the development of Armenia's relations with the

European structures and with the EU as a foreign policy priority. Armenia's participation in European integration, along with other post-Soviet states, is the focus of the international component of the country's external security strategy. Within this, European integration and the EU are mentioned in several contexts: adoption of a European model of development, participation in the regional transport and energy cooperation programmes supported by the EU, reform of the education system, and the reform experience of Eastern European countries.

In 2007, the Parliamentary Standing Committee on European Integration was created to promote links with the EU and the Council of Europe and to harmonise Armenian laws with European legislation. The national programme for the approximation of Armenia's legislation with the EU *acquis* was adopted in 2006, though never implemented. In addition, the three parties forming the ruling coalition – the Republican Party, Prosperous Armenia and Rule of Law – are seeking membership in the European People's Party.

While the government focuses on the pragmatic gains of EU integration, the opposition and civil society view EU integration as a process of internal transformation based on the EU's democratic values. Thus, the normative ideals often advocated by the EU seem to find greater resonance with civil society than the government. For Armenia's government European integration is only a political process, while for civil society it means domestic recovery, a revival of moral values, a change to people's mentality, the establishment of the rule of law and democratisation.

The Armenian people expect European integration to bring about improved living standards and ease travel procedures. In addition, opinion polls emphasise the general expectation that the EU will be more active in the resolution of the Nagorno-Karabakh issue, economic development, and the strengthening of democratic institutions. Despite reportedly poor

awareness about the EU's functioning, these expectations are confirmed by a strong support for EU integration (86 per cent in the capital Yerevan) and high confidence in EU institutions (2.5 times higher than in the national ones).

FORM BEFORE SUBSTANCE

Many observers in Yerevan say that though the EaP is a continuation of the ENP it provides a new impetus for reforms in Armenia. The inclusion of civil society in the EaP process is one of the most frequently mentioned positive aspects of the partnership. Despite differences between Armenian NGOs on a strategy for civil society relations with the government (cooperation versus opposition), many NGOs are actively involved in the work of the EaP Civil Society Forum. In addition, the National Platform tries to

establish contacts with government ministries dealing with European integration and the parliamentary delegation to EURONEST.

According to civil society representatives, most of the EaP's achievements in Armenia are mainly procedural. These include quick progress on the EU-Armenia Association Agreement (AA) talks that started a year ago, preparation for free trade area negotiations, a visa facilitation agreement and a mobility partnership. Meanwhile, many note a lack of internal discussion about the consequences of these agreements for Armenia. The talks are led by a narrow group within the government without parliamentary or public scrutiny. This raises fears within society, for instance about increased emigration as visas become easier to obtain, even if the future agreement will merely lessen the bureaucratic burden of the visa application process and lower the visa fee.

The European Commission and World Bank reports note that Armenia has improved customs administration, increased transparency of the judiciary and conditions for doing business. However, Transparency International's (TI) assessment of the ENP Action Plan implementation in judicial reform, the fight against corruption and reform of public administration shows that compliance is far from being achieved. Compliance is higher in judicial reform (46 out of 64 Action Plan objectives have been accomplished) and implementation of the 'Group of States against Corruption' recommendations in the fight against corruption (19 out of 26 implemented). But it is still low in civil service reform (25 out of 50 measures fulfilled). In fact, according to Transparency International popular perception was that corruption increased in Armenia in 2010, with the judiciary, police and public service seen as the most corrupt institutions.

Much of civil society credits Western pressure on Armenia with the amnesty offered to political prisoners in May 2011. Western funding has also contributed to positive developments such as the creation of the national ombudsperson institute, changes in the media legislation, and dialogue between the government and opposition. Nevertheless, according to Freedom House, Armenia has not improved its democratic performance since the political crisis of 2008, in which ten people were killed by state forces during the violent dispersal of post-election protests. For many democratic elections remain a failed test in Armenia and so will be a key indicator of the success or failure of European integration.

The multilateral platform of the EaP is seen to have very limited effectiveness in Armenia due to the unresolved conflict in Nagorno-Karabakh. Thus, regional cooperation in the South Caucasus takes bilateral forms. For example, the South Caucasus integrated border management programme launched in 2010 focuses on cooperation between Georgia and Armenia, and Georgia and Azerbaijan. There is also a risk that

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»»»»» parliamentary cooperation within EURONEST will be threatened by politicisation of the conflict resolution issues.

EU RESPONSES

Despite the apparent need for democratic reforms, democracy promotion has not been high on the EU's agenda in Armenia. Unlike in the case of Ukraine in 2004, there was no strong reaction by the EU to the post-election political crisis in 2008, which resulted in ten deaths and governmental harassment of oppositional businesses and media. The EU limited itself to procedural steps such as the establishment of human rights dialogue with the Armenian authorities. Unlike in the case of Ukraine and Moldova, the EU started the AA negotiations with Armenia as well as other South Caucasus countries without a precondition of free and fair elections.

Furthermore, EU funding to Armenia does not prioritise the reform of democratic institutions. In 2007-2010 Armenia received €98 million from ENPI funds, most of which went to support vocational education and training, justice reform, and to prepare Armenia for the AA and a Deep and Comprehensive Free Trade Area (DCFTA). Smaller amounts went to civil society and to support media freedom, human rights, parliamentary practices and the electoral process. Though the ENPI funding has increased to €157 million for 2011-2013, it has also focused primarily on effective governance, trade liberalisation, and border and migration control in the context of future AA and DCFTA talks.

While EU-Armenia cooperation will proceed smoothly in areas of mutual interest, such as trade and economic cooperation, an implementation of DCFTA will depend on Yerevan's adoption of European standards of governance. Here the EU's support cannot be limited to technical issues. There will be no gain from DCFTA for Armenia if there is no rule of law, respect for private property, free economic competition and market.

These changes are seen as part of a broader political reform that would dismantle the ruling regime's monopoly over the country's economy.

The EU still needs to offer more to Armenia in the field of energy. Armenia's energy interests are generally overlooked by the EU. While the EU focuses on nuclear safety, it does not make any offers to enhance Armenia's energy security, which is dependent on Russian fossil fuels and bypassed by projected pipelines promoted by the EU. For example, the EU could assist state and non-state actors (local communities, local governments) in introducing energy saving technologies and help with attracting investment in renewable energy production.

Unlike in the case of other post-Soviet conflicts, the EU is not actively involved in the resolution of the Armenia-Azerbaijan conflict over Nagorno-Karabakh. In the period 2003-2011, the EU Special Representative (EUSR) was tasked to contribute to the conflict settlement facilitated by other actors, namely the OSCE Minsk group. His work was supported by several members of a border support team based in Tbilisi with advisers from the EU Delegations in Yerevan and Baku. Facing Baku's opposition to his every effort Peter Semneby, the last EUSR, never visited the conflict region. In February 2011 the EUSR mandate was discontinued, raising doubts over the importance of the region for the EU. However, in late August 2011 Brussels appointed a new EUSR for the South Caucasus and the crisis in Georgia, who would also deal with the Nagorno-Karabakh issue. Since last year, the EU has cautiously supported confidence-building efforts at civil society level by funding a project of European NGOs in the region.

Armenia has not invited the EU to participate in the Minsk Group settlement mechanism. However, the EU's long-term involvement in the conflict's resolution is generally welcome in Armenia. Long term resolution of the conflict is expected to rely on the EU's soft power, assistance on environmental issues, civil society support, and continuous encouragement of

regional cooperation. In the short term Armenia envisions the EU's involvement in conflict prevention measures. The new EUSR should have more political support and resources to fulfil this role. So far, the opposite is the case: the budget of the new EUSR is about half what was available for the two former special representatives to the region.

CONCLUSION

Despite broad political support across party lines and societal support for European integration, there is little understanding of what European integration means in practice. Armenia's government views it through a prism of economic cooperation that improves the country's chances for prosperity and increases both its and the country's international weight. Opposition and civil society view European integration as an asymmetrical relationship with the EU applying pressure on Armenia to promote democratic reform. Finally, though Armenia's public is largely supportive of European integration, it is poorly informed.

There is also a gap between the EU's desired and actual role in the South Caucasus. While the EU is seen as a key player in Armenia's democratisation, it is clear that its interest in the region is primarily energy driven. If, in the public's perception, the EU fails to deliver as a normative actor currently high public confidence in EU institutions may wane.

The test posed by parliamentary and presidential elections in 2012 will be very important. Many in Armenia agree that the progress of European integration can be measured by Armenia's willingness to hold free and fair elections for the first time since the early 1990s. This is also an opportunity for the EU to take advantage of its leverage over Armenia and make a difference through cooperation with other Western actors. Armenia's progress in democratisation is important for the success of the Eastern Partnership policy.

The EU needs to pay greater attention to the visibility of its activities, which remain largely unknown to the general public. This can be done through regular meetings with civil society organisations, students, and civic activists. Building on its positive image among Armenia's population as a soft power, the EU needs to invest more into the development of a genuinely vibrant civil society, which will finally assume its function as a watchdog. Straying slightly away from its usual top-down approach, the EU should endeavour to reconcile civil society with the political sphere.

While the EU has been more involved in conflict resolution in Georgia, the new EUSR should pay equal attention to the Nagorno-Karabakh conflict. Given the fact that Russia is perceived as a biased actor in the region, the EU's increased involvement is likely to be welcomed by local stakeholders.

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