A revolution in instalments
Whither Pashinyan’s Armenia now?

Wojciech Górecki, cooperation Jan Strzelecki

In mid-August, a hundred days passed since Nikol Pashinyan took office as Armenia’s Prime Minister, which is an office of key importance for the Armenian political system. Formerly an opposition MP, Pashinyan rose to power as a result of a bloodless revolution. He replaced Serzh Sargsyan, whose camp had ruled Armenia for the last two decades. The country’s domestic situation is stable and its economy is growing. However, the parliamentary majority and significant business assets remain in the hands of the old elite, which considerably reduces the present leadership’s room for manoeuvre.

Pashinyan started his work by forming a government in which key political posts were taken by his close collaborators. Next, he appointed new heads of central-level offices, local administration institutions and law enforcement agencies. The prime minister also initiated the process of settling accounts with the old elite, although this has met with resistance on the part of Robert Kocharyan (Armenia’s president in 1998–2008) and his supporters. Due to the absence of the relevant legal instruments, the new government has failed to launch political and economic reforms (aside from its ostentatious fight against bribery and corruption), even though in his political promises Pashinyan mentioned his intention to thoroughly reconstruct the state, including the political scene, which is in line with what the public expects him to do. The prime minister’s main goal is to organise early parliamentary elections in the upcoming months and to win a stable majority in the new term of the National Assembly. In the present public mood, Pashinyan’s group could win by a landslide. However, it is not known whether its approval rating will remain stable in time. The plan to hold early elections is opposed by the Republican Party of Armenia (RPA) led by Serzh Sargsyan, which holds the largest number of seats in parliament.

In foreign policy, Pashinyan has declared he will continue Armenia’s close cooperation with Russia (his first foreign trip as prime minister was to Sochi1), even though before the revolution his block demanded that Armenia should leave the Kremlin-controlled Eurasian Economic Union. The new government is mainly composed of Western-oriented politicians. In early August 2018, the prime minister stated that everyone, including the “Russian partners”, needs to adjust to the new situation in Armenia. For the time being, Moscow, which has been reluctant to support grass-roots power shifts in the post-Soviet area, is cooperating with Pashinyan’s government. At the same time, its attitude towards the new Armenian leadership has been restrained, or at least neutral, as is evident in the various statements and declarations Russia has recently made. However, should the Kremlin...

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1 Aside from his trip to Nagorno Karabakh (formally a part of Azerbaijan) on 9 May, a day after he was elected prime minister.
come to think that Russian interests in the region are threatened, it will not hesitate to use the political, economic and military instruments it has at its disposal to discipline Yerevan.

The march for power

The protests which helped the new elite rise to power began with Nikol Pashinyan’s march through Armenia. Accompanied by a group of collaborators, he visited successive cities to organise rallies against Serzh Sargsyan remaining in power\(^2\). Upon reaching the capital, Pashinyan went on to organise rallies and street marches there. Although these gathered tens of thousands of protesters, the authorities did not view them as a threat (hoping that the protests would die down on their own by 24 April, which is the annual mourning commemoration of the 1915 massacre of Armenians in the Ottoman Empire). For this reason, as well as out of fear that the tragedy of 1–2 March 2008, when ten people were killed in riots that broke out when Sargsyan was elected president for his first term would be repeated, the government decided not to use force.

Pashinyan’s new tactic, that of decentralising the protests, turned out to be a breakthrough. In Yerevan and other cities, small groups of protesters, who were acting independently and were thus difficult for the police to spot and disperse, blocked traffic routes (streets, intersections, roundabouts, access routes to Yerevan airport and the border crossings with Georgia) and government buildings. By doing so, they caused a temporary disruption of the capital and the country as a whole. At the same time, Pashinyan managed to involve individuals in his protests who until then had been reluctant to take part, including drivers (he called on them to honk their horns at an agreed time ‘against Sargsyan’) and housewives (‘stand at a window and bang your pots and pans’).

This triggered the impression that the entire country was protesting and encouraged others to join in. Faced with the expanding reach of the protests and the threat of a rift in the ruling camp, on 23 April 2018 Sargsyan stepped down as prime minister and Pashinyan became the candidate for this office. The National Assembly elected him prime minister on the second ballot (on 8 May), thereby making it clear that he needs to take the current political line-up into account, regardless of his success.

The critical mass of frustration and discontent within Armenian society was the main reason for the success of the revolution led by Nikol Pashinyan.

The critical mass of frustration and discontent within society was the main reason for the success of the revolution. The permanent state of crisis and the lack of prospects have forced many Armenians to leave the country, and the blame for this situation was put on the oligarchic political system associated with the Republican Party of Armenia and the so-called Karabakh clan\(^3\). In the eyes of a major portion of the public, Sargsyan has become the embodiment of this network of connections and

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\(^2\) Pursuant to constitutional amendments made in 2015 as a result of a referendum, Armenia switched from a presidential to a parliamentary system of governance. The 2017 parliamentary elections were held under a proportional system, and the transformation ended when the second term of President Serzh Sargsyan expired. The next president, Armen Sargsyan, was elected (on 2 March 2018) not in general elections, but by parliament, and the powers of the head of state were shifted onto the prime minister. On 17 April 2018, Serzh Sargsyan assumed the office of prime minister, although he had announced that he would not run for the post (the nomination of another politician from the ruling Republican Party of Armenia would probably not have triggered such large-scale protests).

\(^3\) A group centred around politicians from Nagorno Karabakh, who played a major part in the war between Armenia and Azerbaijan and then held top offices in independent Armenia (Serzh Sargsyan was the commander of Karabakh’s self-defence forces, and had been Armenia’s defence minister for many years before he was elected president; the former president Robert Kocharyan had previously been ‘president’ of the unrecognised Nagorno-Karabakh Republic). Since the end of the 1990s, the Karabakh clan has controlled Armenia’s political scene and major sectors of its economy.
of the country’s endemic corruption. The generational shift was also of major importance. The protests’ driving force were young people who were born in a free Armenia and do not remember the 1992–1994 Karabakh war. What curbed the previous waves of protest, including 2015’s so-called Electromaidan triggered by electricity price increases, was the fear that the internal crisis might be exploited by Azerbaijan (an Azerbaijani offensive in Karabakh was feared). This time, neither the Karabakh issue nor foreign policy as a whole, including Armenia’s relations with Russia, were major elements in the protest agenda.

New cadres in the old line-up

When Pashinyan assumed his office, aside from his ongoing duties of governance he focused on forming a government and reshuffling the key posts in central and local administration by installing his loyal collaborators therein. These individuals were most frequently assigned to groups dominated by the old line-up. These groups, who were not necessarily hostile towards the new leadership, were characterised by various connections and interdependencies that had formed during the rule of the Karabakh clan. The Republican Party of Armenia still holds the largest number of seats in parliament (only a few MPs left the party after the revolution, and it still has 50 seats in the 105-seat chamber), and the country’s main financial assets are in the hands of oligarchs linked to the previous government (the Prosperous Armenia Party controlled by one such oligarch, Gagik Tsarukyan, has 31 seats in parliament and supported the revolution and Pashinyan himself; however, the new prime minister cannot count on this oligarch’s loyalty since he used to be a close associate of former president Robert Kocharyan⁴).

The prime minister’s own Civil Contract party has a mere 5 seats, and the whole Way Out opposition bloc which it forms a part of has 9 seats.

Pashinyan finished the process of forming the government on 12 May 2018. The key political posts, including two out of three deputy prime ministers, were taken by his close collaborators from the Civil Contract party, Ararat Mirzoyan and Tigran Avinyan. Another member of Civil Contract, Eduard Agajanyan, was appointed chief of the prime minister’s staff. Many cabinet members are young or very young people, frequently with little professional experience: Agajanyan is 30 years old, Avinyan 29, Mkhitar Hayrapetyan, the minister for Armenian diaspora, is 28 (Pashinyan himself is 43). Some of his cabinet nominations sparked controversy: for example Lilit Makunts, an academic teacher and former English language tutor, was appointed minister of culture. However, the ministerial offices that are of crucial importance for the state were assumed by experienced civil servants and politicians, as well as by politically non-aligned professionals who had formerly held major posts in public administration. Zohrab Mnatsakanyan, Armenia’s representative to the United Nations and a former deputy minister, was appointed minister of foreign affairs. Davit Tonoyan, also a former deputy minister and until recently minister of emergency situations, was appointed minister of defence. Over the next few weeks, Pashinyan gradually replaced most senior officials in central-level offices, local administration (city mayors and provincial governors), law enforcement agen-

⁴ Kocharyan is an oligarch himself; his assets are estimated at US$ 4 billion.
cies (heads of various types of armed forces, the Investigative Committee), as well as the state TV broadcaster, by dismissing people associated with the Republican Party of Armenia and Serzh Sargsyan. The primary goal of these changes was to launch a reshuffle of the elites as part of the announced reform of the state.

Pashinyan’s actions during the first months of his rule have mainly focused on the fight against corruption.

The other goals were to meet the expectations the public had voiced during the protests (the nominations clearly indicated that the revolution would not be limited to top government offices) and to prepare the ground for early parliamentary elections. Local officials, alongside directors of various institutions and local businesspeople, traditionally form the so-called administrative resource (Russian: админресурс) which plays a major part in the pre-election period, in that is capable of influencing the decisions of voters that depend on it and is en masse loyal to the previous leadership. Curbing the importance of this resource is intended to guarantee equal opportunities to all the political forces that will run in the elections.

The fact that no economic collapse happened over this period (the economy practically came to a halt during the protests) and the national currency, the dram, has remained stable should be viewed as a success for the prime minister. The GDP growth that has been recorded since the beginning of 2017 slowed down a little, but it still remains high: the figure for 31 August 2018 is 7.2% (year on year). For the first time in a decade, a positive migration balance was recorded; between 10 May and 14 August 2018 the number of individuals who returned to Armenia was higher by around 30,000 than the number of those who left the country. This indicates that the Armenian public is optimistic and is pinning its hopes on the new leadership; it also confirms that the social situation should be viewed as stable. What is also important is that the prime minister has managed to avoid being absorbed by the former political line-up, and has continued to consistently strengthen his position.

Alongside this, it cannot be said that Pashinyan’s team has taken over the state or assumed full control of it. So far, the parliament has not voted against Pashinyan, but it should be noted that no bills targeting oligarchs’ interests or the monopolist businesses they control have been submitted to parliament. Senior officials of the parliament’s leadership, which is also dominated by the RPA, have suggested that if this happens the deputies would act against the executive power (unless, as can be assumed, informal arrangements would be made to guarantee oligarchs a specific scope of immunity).

The fight against corruption, and an attempt at assessing the events of 2008

The actions carried out by Pashinyan and his government have focused on two issues: the fight against corruption, and the launch of the process of bringing to justice those guilty of the violent pacification of post-election demonstrations in March 2008 (no-one has yet been called to account for the deaths of several demonstrators). The individuals prosecuted include the family members and closest collaborators of top politicians from the previous government. Among those arrested are Vachagan Kazaryan, the former head of Serzh Sargsyan’s security, charged with multi-million embezzlement, and Manvel Grigoryan, the former deputy minister of defence, whose charges include stealing humanitarian aid intended for the military

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5 Armenia’s annual GDP growth rate, https://pl.tradingeconomics.com/armenia/gdp-growth-annual (the GDP value is US$11.54 billion, or US$4219.4 per capita).

(he allegedly fed animals in his private zoo with food children had collected for soldiers). Criminal proceedings have been launched against Hovik Abrahamyan, Armenia’s prime minister in 2014–16, in which he is accused of fraud and abuse of power. Searches and arrests have been carried out in companies linked to Sargsyan’s brothers and more distant relatives (drugs and weapons were found in an office belonging to his nephew Narek Sargsyan), as well as in circles associated with the oligarch Gagik Tsarukyan.

The practical blame for the massacre of protesters in March 2008 has mainly been placed on the former president Robert Kocharyan.

Some oligarchs have been ‘screened’ for tax evasion which could form the basis for criminal charges. Examples include searches carried out in the premises occupied by oligarch and MP Samvel Aleksanyan (nominated by the RPA), the owner of the Yerevan City retail chain and an importer of sugar and various types of cooking oil (in his social media messages Pashinyan has called on his supporters to avoid shopping at these outlets). The arrests of public figures may be viewed as populist moves carried out with a kind of haphazardness, but according to Pashinyan himself these measures have made it possible to recover major funds for the state budget. He also said that the law in force prevents the introduction of system-wide measures, because it fails to force public officials to submit their asset declarations for the period in which they were officially not holding any public offices7.

The practical blame for the 2008 events has mainly been placed on Robert Kocharyan. On 27 July 2018, the former president was arrested and charged with organising a coup against the constitutional order by introducing a state of emergency in Armenia, which enabled the authorities to use the military to suppress a peaceful rally. On 13 August 2018, the Appellate Court released Kocharyan, referring to his immunity as a former head of state. Aleksandr Azaryan, the judge who issued this ruling, formerly worked in Kocharyan’s administration and appointed himself to preside over this case. Azaryan’s case illustrates the limits of Pashinyan’s team when they try to act within the boundaries of the law8.

Kocharyan’s case is pending; the General Prosecutor’s Office has appealed the Appellate Court’s ruling to the Court of Cassation. Meanwhile, the former president has launched a counter-offensive. In a long interview he gave to the Sputnik Armenia news agency, he announced his return to politics (his intention to run in the upcoming parliamentary elections) and warned the present leadership not to needle Moscow too much. He considered Armenia’s participation in the NATO summit that took place in Brussels in July 2018 to be one such action; the country was represented at the highest (prime ministerial) level, in contrast to the present deterioration in Russia’s relations with the West. It seems that Kocharyan may try to attract the most pro-Russian part of the electorate, while at the same time convincing the Kremlin that only his group is capable of respecting Russia’s interests in Armenia9.

Moscow intervened when Kocharyan was arrested and when similar charges were brought against General Yuri Khachaturov who was lat-

7 In mid-August, the prime minister announced a victory over corruption: “Among the top officials in the Armenian government there are no and there will never be corrupt individuals. I personally can guarantee this to you.” At the same time he said that this does not mean that there are no longer any officials in Armenia who take bribes. Пашинян объявил о победе над коррупцией в правительстве Армении, ‘Кавказский Узел’, 18 August 2018, http://www.kavkaz-uzel.eu/articles/324328/

8 According to Armenian columnists, judges expect instructions ‘from the top level’ on what ruling they are to issue. If no such instructions are given, traditional connections and loyalty mechanisms are decisive.

Early elections are the only hope

During the first four months in office, Pashinyan has not attempted – because he could not – to carry out a more comprehensive reform of the state, although he has repeatedly stated that such reform is necessary. He has highlighted the country’s oligarchy and informal monopolies, including in the import of specific types of goods, as barriers to Armenia’s development. It seems that the prime minister is aware that any reform requiring legislative changes would likely be opposed by the RPA and would meet with resistance on the part of the oligarchs linked to it. In this situation, Pashinyan’s priority is to hold early parliamentary elections which his party would likely win. The first poll conducted after the revolution, by the Voice of the Nation polling company between 10 July and 10 August 2018, showed that as many as 64% of the surveyed individuals assessed the parliamentary activity of the Way Out bloc as positive (47% positively assessed the activity of the Tsarykyan bloc, and a mere 3% of the Republican Party of Armenia). At the same time, as many as 74% declared that in the upcoming elections they would vote for the Way Out bloc (provided that Pashinyan’s party will run as a part of this bloc again)10. The prime minister has stated that early elections will be held before the first anniversary of the revolution, which will be in the spring of 2019.

Early elections and a stable majority in the new parliament are the only factors which will enable Pashinyan to carry out genuine reform.

The rally Pashinyan organised in Yerevan’s central square to commemorate one hundred days of his rule can be viewed as the symbolic start of the electoral campaign. It was held on 17 August 2018 and gathered around 130,000 participants, which additionally confirms Pashinyan’s high approval rating. When announcing his plans, he said that because the constitutional provisions regarding the dissolution of parliament and holding early elections are associated with political risk (for example such elections can take place if Pashinyan steps down and parliament fails to elect a new prime minister after two attempts, which cannot be guaranteed), it would be possible to amend the constitution by way of a referendum to include a provision that would enable the National Assembly to dissolve itself. At the rally, Pashinyan also announced his plan to establish a “transitional period judiciary” to make the fight against corruption more effective, but he has not offered any details of

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this proposed solution. (The purpose of announcing important decisions and new ideas during rallies and in social media is to create the impression that the government is transparent and open to criticism, as well as to emphasise Pashinyan’s bond with ‘the people that brought him to power’. It is also a way to maintain society’s enthusiasm and draw upon the will of the nation as the most important source of the head of government’s power).

On 27 August 2018, Pashinyan met Babloyan, and the two politicians agreed that any proposed changes to the constitution should be subject to a broadly conceived socio-political debate. President Armen Sargsyan has called on the two sides to follow the agreements and resolve disputes by way of negotiation and dialogue.

It should be expected that if the talks regarding early elections are prolonged, Pashinyan may once again draw upon ‘the nation’s will’ and encourage people to take to the streets, thereby trying to force the parliament to pass the bills he supports. The prime minister has not revealed any detailed strategy on how to reform the state. So far, he has limited his statements (for example during the rally on 17 August 2018) to general ideas such as reducing administration structures, introducing lower taxes, and eliminating the oligarchy.

Moscow’s perspective

Since the beginning of the protests in Armenia, the Kremlin has followed the events with apprehension and carried out intensive consultations with Armenia’s political forces, while avoiding direct involvement which could attract the public’s attention. The fact that the Russian leadership is seriously concerned is confirmed by the fact that the telephone conversations with the authorities in Yerevan both during the protests and after Serzh Sargsyan’s resignation were carried out by President Putin himself. The contacts at foreign ministers’ level were equally intensive, and Russian officials held talks in Russia’s embassy in Yerevan with Pashinyan as the leader of the protesters. According to unofficial information, when the protests were taking place, Russia’s intelligence chief Sergey Naryshkin travelled to Yerevan and allegedly held talks with Pashinyan. Although Armenia’s bloodless change of power had many of the characteristics of a so-called colour revolution, the Russian side maintained that the

Although Moscow has recognised Armenia’s new government, the Kremlin viewed the change of power that happened there as a threat to Russian influence and a ‘bad example’ for other countries of the former USSR.


events unfolded within the boundaries of the laws in force; for example it was emphasised that Pashinyan had been elected prime minister by the parliament in its current line-up. This interpretation enabled Moscow to justify its recognition of Armenia’s new leadership and their mutual contacts. Despite this, the Kremlin viewed the change of power that as a result of protests as a threat to Russian influence, and as setting a ‘bad example’ for other countries of the former USSR.

Moscow’s first warning sign to Yerevan was an incident that happened on 18 July 2018, when during military exercises Russian soldiers fired multiple times in the air in a residential area, spreading panic among local residents. The Kremlin has seemed concerned by the new Armenian leadership’s determination to carry out investigations regarding corruption and settling accounts with the former government. The fact that Armenian investigators have been publicising their findings on the connections and mechanisms of corruption, which frequently involve Russian capital, surely does not suit the Kremlin (for example, Moscow has criticised the show search carried out by Armenian tax services at night on the premises of South Caucasian Railways, a 100% daughter company of Russian Railways). From the Kremlin’s point of view, it would be better if Armenia were corrupt and economically weak, as this would make it fully dependent on Russia. Moscow’s neutral rhetoric regarding the Armenian revolution changed abruptly when Kocharyan and Khachaturov were arrested. Russia’s foreign minister Sergei Lavrov said that Moscow is concerned by the situation in Armenia, and implied that the Armenian government had broken the agreements it had made with Russia. This statement sparked a protest from the Armenian foreign ministry, but in the end the two politicians were released. On 31 August 2018, Putin called Kocharyan on the occasion of the latter’s birthday. The fact that this information was shared by Dmitri Peskov, the Kremlin’s spokesperson (the conversation was private and the charges brought against Kocharyan were allegedly not discussed), should be interpreted as a gesture of support to Armenia’s former president and a warning to Pashinyan and his collaborators. 

It is evident that Moscow has no confidence in the new Armenian government. Regardless of the fact that as prime minister Pashinyan has repeatedly declared that there is no alternative to the strategic alliance between Armenia and Russia, and that the commitments Yerevan has undertaken will be met, Moscow remembers that before the revolution it was Pashinyan himself (then an opposition MP) who submitted a legislative initiative according to which Armenia should leave the Eurasian Economic Union. Pashinyan’s government is largely composed of European- and Western-oriented politicians and activists; some of them studied at Western universities or used Western-funded grants scholarships offered to Armenian non-governmental organisations. On 3 September 2018, addressing students and teachers at the Moscow-based MGIMO University, Russia’s foreign minister Sergei Lavrov implied that external actors were involved in the change of power in Armenia, and that the situation in the country remains tense.

Conclusions and attempts of a forecast

The possible long-term success of the Armenian revolution (understood as Pashinyan remaining in power for the next year, and a launch of the announced state reform process over this period) depends on two factors: the holding of early parliamentary elections (and the victory of the present prime minister’s party), and that Moscow’s attitude should remain at least neutral. As far as the first factor is concerned, the determination Pashinyan showed during the revolution may bring the desired result (it should be assumed that if the group linked to the RPA agrees to early elections, secret concessions would have to be made in its favour, or security guarantees would have
to be issued for some politicians and/or oligarchs). As far as the second determining factor is concerned, it seems more likely that Moscow will try to halt or at least slow down the process of genuine reform. Much depends on further direct agreements between Pashinyan and Putin. Since the revolution, the two politicians have met three times (most recently on 8 September) and talked on the phone three times. If the Armenian prime minister manages to convince Russia’s president that he will take Russian interests into account (this may include dropping all charges against Robert Kocharyan), the Kremlin may refrain from intervening in the course of events in Armenia for some time. However, this does not mean that it will not be monitoring the situation closely. It should be assumed that in the long-term perspective Moscow will support any political processes and actors that could weaken Pashinyan’s government and compromise the idea of a grass-roots revolution in Armenia. In an extreme scenario, in order to discipline Yerevan the Kremlin may reach for (or threaten to reach for) the Karabakh card and give the ‘green light’ to Azerbaijan’s limited offensive on Armenian positions (the threat that Russia might withdraw its informal security guarantees for the unrecognised so-called Nagorno-Karabakh Republic has made Armenia refrain from signing the association agreement it had negotiated with the EU at the Eastern Partnership summit in Vilnius in autumn 2013). This scenario would risk the destabilisation of the South Caucasus as a whole.