

# The Aftermath of the “Velvet Revolution”: Armenia Between Domestic Change and Foreign Policy Continuity

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## Abstract

*This article focuses on the aftermath of the 2018 “Velvet Revolution” in Armenia by investigating the relationship between domestic change and foreign policy. It highlights the challenges of foreign policy breakthroughs, leading to a Russian-European balance, as well as to breaking the logjam in the troubled neighborhood. It contends that domestic change in Armenia has not produced trickle-down effects on its broader foreign policy landscape. Yet, the study does not fall prey to the reductionism of structural constraints and offers a more dynamic structure - agency interplay approach to accounting for change - continuity relationship in post-revolution Armenian politics. The case study of Armenia contributes to a better understanding of the interplay between domestic politics and foreign policy in small states in the contested neighbourhood between assertive Russia and constrained European Union (EU).*

*Keywords: “Velvet Revolution,” Armenia, Russia, Eurasian Integration, authoritarian resistance, European Union, CEPA, Nagorno Karabakh conflict.*

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## 1. Introduction

The 2018 “Velvet Revolution” in Armenia has renewed scientific interest in post-soviet revolution studies and raised a series of questions regarding both its domestic and foreign policy implications.

One of the intriguing questions is whether the domestic change in Armenia will produce trickle-down effects on its broader foreign policy landscape, by

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leading to a Russian-European balance, as well as to moving the needle on the troubled the neighbourhood.

Essentially, a set of questions goes into the heart of the European Union – Russia competition in the shared neighbourhood. While the EU would seek greater engagement with the region to transform it into an area of prosperity, democracy and stability, Russia would fiercely resist to the Europeanization in its “near neighbourhood” (Ademmer, Delcour and Wolczuk, 2016; Terzyan, 2017). Delcour and Wolczuk argue that while the EU promotes soft and indirect region building, Russia pursues regional integration as well as region-spoiling with a view to securing regional hegemony (Delcour and Wolczuk, 2017).

Notably, there has been a strong tendency to regard the “colour revolutions” in Ukraine, Georgia and Kyrgyzstan as major international setbacks to Putin's Russia (Finkel and Brudny, 2012). According to widely held beliefs, in response to “democratic diffusion,” Russia resorted to “authoritarian resistance,” including a political, administrative and intellectual assault on the opposition and Western ideas of democracy promotion, integral part of which was the attempt to delegitimize the idea of liberal democracy itself (Ambrosio, 2007; Finkel and Brudny, 2012; Bouchet, 2016). Meanwhile, Russia’s “indifference” to the 2018 “Velvet Revolution” in Armenia has led to perplexing conclusions. The simplest explanation is that in contrast to neighbouring Georgia, the post-revolution Armenia’s political leadership, has committed itself to further deepen ties with Russia, with no indication or ability to revise relations with Russia.

This provokes an inquiry into the economic and political rationale behind Armenia’s heavy dependence on Russia.

The conventional logic posits that the Kremlin has a strong interest in ensuring that regional and global democratic trends do not affect its hold over the Russian political system and that the legitimacy of democracy promotion and regime change are subverted (Roberts and Ziemer, 2018). Yet, this article departs from the assumption of inevitability of “authoritarian diffusion” in the sphere of the Russian influence. Rather, it argues that there is a significant potential for Armenian leadership’s political will to lead to better responsiveness towards the EU’s policies with its positive effects on the democracy consolidation and country’s significant rapprochement with the Union. That said, “despite the increasing external competition over the post-Soviet space, domestic actors remain the key agents to account for the pattern of change in the contested neighbourhood” (Ademmer, Delcour and Wolczuk, 2016).

Based upon an analysis of official documents and elite's narratives, as well as interviews conducted in Armenia between 2015 and 2018, the article seeks to account for the foreign implications of the domestic political change in Armenia. It focuses specifically on the challenges of achieving a Russian-European balance, as well as on breaking the logjam in the troubled neighbourhood.

The article will proceed as follows: First, the main rationale behind the continuity in Armenia's foreign policy will briefly be discussed focusing on the determining factors in country's centrality in the Russia-led socio-political order. The contention about the inevitability of the "authoritarian diffusion" in the sphere of Russian influence will be questioned. In the second section the core challenges and opportunities of the rapprochement with the EU will be examined. The final section addresses the challenges of moving the needle on the troubled neighbourhood. The conclusions discuss the main findings.

## **2. Path dependency: the "Russian Constraint" of post -velvet revolution Armenia**

The political landscape of Armenia has been subjected to major ups and downs since country's independence in 1991, ranging from post-soviet authoritarian malpractices to the severe consequences of troubled relations with neighbouring Azerbaijan and Turkey. Evidently, Serzh Sargsyan's stint in power from 2008 to 2018 did not deliver the promised economic and political turnaround. Quite the opposite, the country found itself in complete political and economic disarray and irreversibly plunged into the orbit of the Russian influence, especially following the perplexing decision to join the Russia-led Eurasian Economic Union (EAEU).

Given post-revolution Armenia's Prime Minister Nikol Pashinyan's critical stances on country's plight in Russia-led unions, it would be tempting to leap to far-reaching conclusions about possible foreign policy u-turns. Notably, in the fall of 2017 Pashinyan-led "Yelk" parliamentary faction submitted a bill proposing Armenia's withdrawal from the Russia-led Eurasian Economic Union – framed as a dormant union detrimental to country's interests (Azatutyun, 2017). Furthermore, Pashinyan would denounce the Russian policy towards Armenia on all sides, stressing particularly the 'cynical interventions in Armenia's domestic affairs'. Therefore, "the fear that joining the EAEU will result in serious threats to the sovereignty of Armenia, has become stronger" (Aravot, 2017a). Yet, from the very

beginning of his prime ministership Pashinyan fundamentally changed his stances on the EAEU and the Armenian-Russian partnership.

During the first meeting with the Russian President Pashinyan particularly noted: *“We have things to discuss, but there are also things that do not need any discussion. That is the strategic relationship of allies between Armenia and Russia ... I can assure you that in Armenia there is a consensus and nobody has ever doubted the importance of the strategic nature of Armenian Russian relations”* (Reuters, 2018). Moreover, he confirmed Armenia’s commitment to deepening further integration in the Eurasian Economic Union, framing it as beneficial to the country: *“Armenia is eager to see the furtherance of integration processes in the Eurasian Economic Union. We are ready to do our best to further develop the integration-targeted institutions and find new ways and mechanisms for cooperation”* (Prime Minister, 2018).

The dramatic changes of Pashinyan’s discourse suggest that the domestic political change in Armenia has not led to revising immensely asymmetric Armenian-Russian relations. This provokes an inquiry into the economic and political rationale behind the continuity in Armenia’s foreign policy.

The first major factor behind Armenia’s further adherence to the Russia-led path is heavy economic and energy dependence on Russia. It is noteworthy, that the Russian policy towards restoring its economic and political influence in post-Soviet countries marked significant accomplishments in Armenia. Consistent with Putin’s philosophy of using energy dependency and Russia’s state-controlled energy companies as foreign policy instruments against neighbouring countries, over last two decades Russia took over around 90 percent of Armenia’s power generating capacities (Nygren, 2008; Terzyan, 2019a). Furthermore, in 2013 Armenia ceded control over all its natural gas infrastructure to the Russian energy firm Gazprom, in payment for a \$300 million debt to Gazprom, which it incurred as a result of secretly subsidizing the Russian gas price from 2011-2013 (Asbarez, 2017). In return for writing off the debt, Gazprom was also granted 30-year exclusive rights in the Armenian energy market (Ibid).

Clearly, the absorption of Armenia’s energy sector goes into the policies, narratives, and discourses that accompany the attempt to represent Russia as a global “energy superpower” leading to the restoration of its global status as a “Great Power” (Bouzarovski and Bassin, 2011).

The gas price manipulation - as a part of Gazprom’s “energy weapon” has been consistently used to exert political influence over the Armenian government. Gazprom increased gas prices for Armenia by 50 percent and threatened to further

increase it in case Armenia refused to join the Russia-dominated Eurasian Economic Union (Asbarez, 2013).

Remarkably, former President Serzh Sargsyan would candidly admit that energy dependence on Russia significantly influenced Armenia's decision to join the Eurasian Economic Union instead of signing the Association Agreement with the European Union: "our choice is not civilizational. It corresponds to the economic interests of our nation. We cannot sign the Association Agreement and increase gas price and electricity fee three times?" (Terzyan, 2017, p. 191).

Ironically, Gazprom decreased gas prices as Armenia decided to join the EAEU. Notably, in an attempt to fight against Gazprom's monopoly and malpractices, the new Armenian government launched an investigation in Gazprom Armenia and which led to finding a series of irregularities and even to accusing it of tax evasion and corruption. The State Revenue Committee claimed that the company inflated its expenditures and under-reported its earnings in 2016 and 2017. "Gazprom Armenia incorporated obviously false data on value-added tax and profit tax calculations presented to the tax authorities during 2016 and 2017. As a result, they calculated several billion drams less than their actual tax liabilities," the committee statement said (Radio Liberty, 2018). Yet, in response to Armenian government's bold attempt to hold Gazprom Armenia accountable, Gazprom determined to increase the gas prices for Armenia in 2019. The price increase is "symptomatic of how the Kremlin is exploiting Armenia's acute dependence on Russian hydrocarbons, using gas supply as a political instrument to put pressure on the Pashinyan-led government," Eduard Abrahamyan, a London-based analyst of Armenia (Eurasianet, 2019). Clearly, by using Gazprom's energy weapon and increasing gas prices for Armenia, Russia strives to tighten its grip on new Armenian government and further keep the country in the orbit of its influence.

In terms of broader economic rationale behind Armenia's dependence on Russia it is worth to note that as a single country, Russia is the main external trade partner of Armenia, being the destination for 20 per cent of Armenian exports and source of 70 per cent of remittances (Terzyan, 2019a, p. 128). Russia also maintains lead in the realm of foreign investments in Armenia. According to official information, there are around two thousand enterprises with Russian capital, which is over one fourth of all economic entities with involvement of foreign capital (Terzyan, 2019a, p. 128).

Another major factor, that comprises a significant aspect of the Armenia-Russia relationship is the security linkage.

The turbulent landscape of the South Caucasus region, fraught with Armenia's troubled relations with neighbouring Azerbaijan and Turkey has significantly contributed to Russia's treatment as a strategic security ally in Armenian political thinking. This goes into the anatomy of Armenia's smallness and the tendency of the small states to put heavy reliance on alliances. The latter are call for the commitment of the "big" allies to take effective and coercive measures, in particular the use of military force, against an aggressor (Gartner, 2001, p. 2).

The Russian 102nd Military Base is located in the Armenian city of Gyumri, while the Russian 3624th airbase is located at Erebuni Airport, near Yerevan. Russian troops also patrol both the Armenia-Iran and Armenia-Turkey borders (Roberts and Ziemer, 2018, pp. 155-156).

Remarkably, the core argument dominating the Armenian discourse over the EAEU membership has centred on the irreplaceability of the Armenian-Russian security alliance as a critical bulwark against security threats stemming from neighbouring Azerbaijan and Turkey (Terzyan, 2018a, pp. 158-160). There has been a broad consensus among the Armenian political leadership on the vital importance of Armenia-Russia security partnership and the fact that Russian troops located across the Armenian-Turkish border significantly shield Armenia from Turkish-Azerbaijani hostilities and thus lead to treat Russia as 'security provider' (Terzyan, 2018b, p. 242).

To describe Armenia's plight in the hostile neighborhood with Turkey, the former Chairman of the permanent commission on external relations of the Armenian Parliament Armen Ashotyan referred to the quote "Poor Mexico, so far from God, and so close to the United States" and added that this image of the US could be completely projected to Turkey. In doing so he justified the choice of the Russia-led Eurasian Economic Union and framed it as indispensable to Armenia's security in the face of the Turkish menace (Aravot, 2017b).

Pashinyan's discourse suggests that "small" Armenia's heavy security reliance on its "big brother" Russia is bound to continue. First, he denied the possibility of foreign policy u-turns by framing Russia as Armenia's biggest ally and confirming commitment to further deepening Armenian-Russian strategic partnership (Pashinyan, 2018).

Second, consistent with his predecessor, Pashinyan has tended to express solidarity Russian controversial foreign policy choices. Notably, at his very first meeting with Pashinyan, Putin stressed the necessity of keeping up the cooperation in the international arena, focusing particularly on UN, where the two nations "have always supported each other" (Kremlin, 2018). No wonder, post-revolution

Armenia voted against another UN resolution on the de-occupation of Crimea in December, 2018 (Moderndiplomacy, 2019).

A major factor leading to Armenia's tremendous dependence on Russia is the latter's being home to the largest diasporic Armenian community of over two million Armenians. No wonder, the discourse on Armenia's membership in the EAEU – has been characterized by a strong emphasis on the large Armenian community in Russia as a major factor for Armenia's decision to join the EAEU (Terzyan, 2019a, pp. 131-132).

It is noteworthy that seasonal labor migration to particularly Russia has constituted a crucial survival strategy for many Armenian households to this day. Russia is most popular destination for Armenian migrants and according to the official data, more than 95 per cent of seasonal and 75 per cent of long-term migrants work in Russia (Emerging-Europe, 2018). Annually, more than 200,000 Armenians go to Russia for seasonal employment (Ibid). Remittances sent to Armenia from Russia by individuals increased by 14.6% in 2017 (Intellinews, 2017). Meanwhile, the 2016 World Bank data suggests that Armenia was in 21st place worldwide among the most remittance-dependent countries, with personal remittances received making up 13.1% of GDP (World Bank, 2017).

There are concerns that Armenian migrants will be subject to harsh mistreatment in case of Armenia's 'disobedience' i.e. deviation from the Russian-led foreign policy trajectory. This assumption is based on the Russian authorities' massive crackdown on the Georgian population in Russia, following Georgia's determination to advance profoundly towards the EU and NATO (Terzyan, 2019a, p. 133). It is perhaps for this reason that Ara Abrahamyan, the President of the Unions of Armenians in Russia, gave credit Armenia's decision to join the EAEU, emphasizing its security implications for the Armenian community in Russia (Ibid).

Overall, along with other issues, the mistreatment of Georgian population in Russia sent ripples of apprehension into Armenia and alarmed the repercussions of 'angering' Russia. No wonder, the Armenian leadership framed the decision to join the EAEU as inevitable, repeatedly citing its positive implications for the Armenian community. There has been broad consensus among the representatives of Armenia's political leadership\* that despite the resentment that Russian policy may generate, Armenia should avoid 'provoking' Russia. Otherwise, the latter would severely punish Armenia's 'disobedience', by arming Armenia's fiercest enemy

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\*Note: Several officials provided valuable insights, but asked not to be cited in an attributable way.

Azerbaijan, increasing gas prices or even cracking down on the Armenian community in Russia (Aberg and Terzyan, 2018, p. 168).

## **2.1. Bound to authoritarian resistance?**

Clearly, the above-mentioned economic and security factors have significantly tightened Russia's political grip on Armenia. A series of studies point to Russia's strong tendency of "democracy prevention" and authoritarian diffusion in the sphere of its influence (Von Soest, 2015; Finkel and Brudny, 2012).

Yet, the alarmist claims of the severe consequences Russian autocracy production, have been greeted with scepticism by well-informed observers pointing to the limited reach of authoritarian governments (Brownlee, 2017; Way, 2016). Analysing the efficacy of autocracy promotion through examining Russian efforts to shape regime outcomes in the former Soviet Union, Way (2015) notes that while Russian actions have periodically promoted instability and secessionist conflict, there is little evidence that such intervention has made post-Soviet countries less democratic than they would have been otherwise (Way, 2016). The reasons range from Russia's inconsistency in its support for autocracy to the fact that post-Soviet countries already have weak democratic prerequisites (Way, 2016).

One of the vivid manifestations of the Russian authoritarian diffusion in Armenia was the Russian government's transfer of its own particularly NGO legislation in Armenia (Roberts and Ziemer, 2018). This came down to the attempts of tightening Russian control over Armenia's NGO sector amidst Eurasian integration. More specifically, in May 2014 the Russian ambassador Ivan Volynkin framed Western-funded NGOs as threats to Armenian-Russian relations and called for them to be 'neutralised' through information campaigns and other methods (Armeniahow, 2015). These methods included legal moves to regulate the activities of NGOs, in what was widely interpreted as a call for Armenia to adopt Russian-style legislation (Roberts and Ziemer, 2018, pp. 157-158). Consistent with this rhetoric in February 2015 the Head of the Russian Federation Council's International Committee, Konstantin Kosachev subjected the Armenian NGOs to fierce criticism and claimed that around 350 Armenian NGOs were actively agitating against Eurasian integration in favour of the EU (Eurasianet, 2015).

Russian mounting pressure led to amendments to existing NGO legislation (2017) in Armenia. Along with other amendments, the updated NGO law allows the government to rescind the registration of any non-profit that twice failed to comply with the requirements. The most disputable provision of the legislation



gives Justice Ministry officials the right to attend non-profits' board meetings (Euractiv, 2015). Human Right observer Armine Sahakyan notes that Russia's push for Armenia to adopt anti-NGO legislation is just the latest sign of its determination to mold Armenia into a loyal vassal that does its bidding with no questions asked: "Russia sees Armenian anti-NGO legislation as a way to ensure that its neighbor toes the Kremlin line" (Ibid).

Nevertheless, drawing on a combination of original elite and expert interviews, Roberts and Ziemer argue that although there is evidence of Russian authoritarian diffusion, there is limited evidence of policy convergence (Roberts and Ziemer, 2018). Moreover, contrary to the conventional logic of Russia's consistent prevention of the "colour revolutions" in its "near neighborhood," the Kremlin did not overreact to mass anti-government protests in April 2018 predating the Armenian "Velvet Revolution".

Notably, there has been a strong tendency to regard the "colour revolutions" in Ukraine, Georgia and Kyrgyzstan as major international setbacks to Putin's Russia (Finkel and Brudny, 2012). According to widely held beliefs, in response to "democratic diffusion," Russia resorted to "authoritarian resistance," including a political, administrative and intellectual assault on the opposition and Western ideas of democracy promotion, integral part of which was the attempt to delegitimize the idea of liberal democracy itself (Ambrosio, 2007; Finkel and Brudny, 2012). Meanwhile, Russia's "indifference" to the 2018 "Velvet Revolution" in Armenia has led to perplexing conclusions. The simplest explanation is that in contrast to neighbouring Georgia, the post-revolution Armenia's political leadership, has committed itself to further deepen ties with Russia, with no indication or ability to revise relations with Russia. According to some reports, the Minister of Foreign Affairs of Armenia Zohrab Mnatsakanian, announced during a visit to Moscow that the change of power in Armenia was "a deeply internal political process with no geopolitical aspects whatsoever" (Themoscwotimes, 2018).

Moreover, as mentioned above, during his first meeting with Russian President, the Armenian Prime Minister Nikol Pashinyan confirmed Armenia's commitment to further deepening ties with Russia.

Overall, even though the "Velvet Revolution" has not diminished Armenia's dependence on Russia, there is insufficient evidence to contend that Armenia is bound to Russian "authoritarian diffusion." Further research is essential to exploring the patterns Russian authoritarian resistance to the democratic state-building in post-revolution Armenia. This has much to do with the Armenian

leadership's responsiveness towards the European Union's development policies, as well as its ability to balance EAEU membership with the EU rapprochement.

### **3. Armenia between Eurasian Economic Union and European Union**

While Armenia remains heavily dependent on Russia, the possibility of fundamental democratic reforms across the country is clearly contingent on effective implementation of the European Union's policies and practices.

In 2017, the Republic of Armenia and the European Union set out to deepen their relationship by adopting the Comprehensive and Enhanced Partnership Agreement (CEPA). This was the first major undertaking following Armenia's U-turn – the arbitrary decision to join the EAEU. The CEPA which is essentially the edited version of the Association Agreement, provides outstanding opportunities to boost the EU-Armenia partnership. It includes several priorities, such as (1) strengthening institutions and good governance; (2) economic development and market opportunities; (3) connectivity, energy efficiency, environment and climate action; and (4) mobility and people to-people contacts (CEPA, 2017).

Yet, there is a series of challenges to be addressed to be able to seize the opportunities provided by the CEPA. The biggest question is whether Armenia leadership would be able to achieve a Russian-European balance amid country's membership in the EAEU. The assumption that Armenia should not be responding to EU demands for reform (Delcour and Wolczuk, 2015, p. 493) has been taken for granted for the following reasons:

First, in contrast to neighbouring Georgia, as well as Eastern Partnership countries Moldova and Ukraine, Armenia has not pursued EU membership and limited its agenda to deep and comprehensive partnership.

Second, Armenia's non-democratic incumbents and powerful oligarchic clans would not have considerable incentives in full-scale Europeanization of country's political and economic systems, given its repercussions for the stability of their authoritarian regime. Last but not least, Armenia's huge political and economic dependence on 'competing governance provider' Russia, vividly manifested in country's membership Russia-led Collective Security Treaty Organisation (CSTO) and Eurasian Economic Union, would inevitably interfere with consistent compliance with the EU policies - the path to deeper partnership.

While the Europeanization literature emphasizes the transformative and democratizing power of the EU (Schimmelfennig and Sedelmeier, 2004; Vachudova, 2005; Grabbe, 2006), its economic and political conditionality is

considered critical to effective external governance. Arguably, the limited potential of the EU's conditionality would considerably hinder the effective transfer of European rules in Armenia. This specifically applies to economic partnership, given Armenia's compliance with the policies and practices of the EAEU.

Previous studies, would greet these provisions with scepticism, contending that "the EU has proved incapable to convey its liberal market economy spirit to Armenia and to improve the business climate so as to make it conducive to economic modernisation and entrepreneurship, small and medium business advancement" (Terzyan, 2019b, p. 104).

Meanwhile, the 'Velvet Revolution' in Armenia engenders a glimmer of hope the new government will break with the malpractices of the former one and most importantly, will take considerable strides towards promised economic turnaround and fundamental democratic reforms. This specifically applies to the fight against corruption, the improvement of business climate and implementation of good governance principles. The EU would frequently cite the lack of competition and business monopolies in Armenia as major impediments to country's economic and social development (Terzyan, 2019b, p. 104).

Yet, despite Pashinyan's proclaimed commitment to the "economic revolution" in Armenia, there has not been much to reinforce and reassure government's promises and pledges of fundamental reforms. The Armenian economy remains extremely vulnerable with huge dependence on the remittances sent particularly from Russia.

Indeed, the EU's support for economic reforms would have yielded more tangible results in Armenia, had not the latter been bound by constraints determined by the Russia-led EAEU. Notably, articles 4 and of the treaty on the EAEU obligates member states to create common market of goods, labour and services and have their economic policies complied with the goals and principles of the EAEU (Treaty on the EEU 2014, art. 4, 5). According to article 25, there is a common regime of trade of goods with third parties (Treaty on the EEU 2014, art. 25). All these stipulations suggest, that Armenia is considerably constrained to boost trade and broader economic cooperation with the EU.

Not surprisingly, the EU officials from the External Action Service, would express doubts about tangible outcomes in the EU-Armenia economic partnership following the country's U-turn, noting that mostly non-preferential access to the EU

market would make the latter's economic tools impracticable vis-à-vis EAEU member Armenia<sup>2</sup>.

Nevertheless, against this backdrop, the post-revolution Armenia's consistent compliance with the CEPA provisions may produce considerable positive effects on the consolidation of democracy and country's significant rapprochement with the EU.

Delcour (2018) aptly notes that Armenia's "Velvet Revolution" took place at a time when the EU seemed prepared to support democratisation and political reform more actively (Delcour, 2018, p. 19). More specifically, the launch of a visa dialogue with Armenia may give a strong impetus to reforms in the country owing to the increased conditionality as part of the Visa Liberalisation Action Plan (Ibid).

Notably, in recognition of the post-revolution Armenian government's reform efforts, the EU almost doubled its support to Armenia in 2019 (EEAS, 2019). The EU has emphasized the necessity of reforms that would lead to the rule of law, fight against corruption and respect for human rights, along with independent and accountable judicial system (EEAS, 2019).

The question remains whether and to what extent the Armenian leadership will consistently comply with the EU requirements, amidst limited EU conditionality and deepening Eurasian integration. This goes into determining whether Armenian leadership will prove powerful enough to defy marginality and gain centrality in the EU-led socio-political order (Delcour, 2019).

#### **4. "New" Armenia vs. "Old" Neighbors**

One of the biggest hindrances to large-scale reforms in Armenia is the long-standing logjam on Armenia's troubled relations with neighbouring Azerbaijan and Turkey. As a matter of fact, Armenia is the sole European country subjected to double blockade by its neighbouring Azerbaijan and Turkey. The arms race with Azerbaijan has rendered Armenia one of the most militarized countries in Europe and led to the securitization in the military sector (Terzyan, 2018b, p. 159). Notwithstanding the crippling constraints confronting the country, the Armenian leadership has ruled out the possibility of concessions regarding fiercely contested status of Nagorno-Karabakh. Besides, given the fatal scar that the Genocide has left on Armenian population, Turkey has been unequivocally perceived as a perpetrator and historical foe in Armenian collective memory.

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<sup>2</sup> Interviews with EEAS – related officials from September 2015 to February 2016.

In theory the ‘Velvet revolution’ prepare a ground for breaking the impasse in Nagorno Karabakh conflict, as well as normalize the Armenian-Turkish relations. Yet the reality is way more complex.

The failed attempts of normalizing particularly the Armenian-Turkish relations have further incited animosity towards Turkey in Armenian political thinking and public consciousness. Remarkably, over time the former Armenian President Serzh Sargsyan resorted to substantial othering of Turkey and the latter's treatment as inherently aggressive. His discourse has been characterized by the tendency to blame Turkey for the troubled relations and Armenia's blockade. Despite all the ordeals and crucibles inflicted on the country by Turkish bellicosity, Armenia would seek to coexist peacefully with its neighbors, whereas Turkey's “New Ottomanism” could not bring anything but ‘massacres, oppression, and tyranny as the Ottomanism did’ (Sargsyan, 2011).

Sargsyan framed Turkey as irremediably imperialistic and coercive, always trying to invade. ‘Unfortunately, in this most civilized era of human history, there are still forces and statesmen that have not abandoned the archaic way of thinking and the invader psychology, confident that even today “the strongest will dictate” (Terzyan 2018b, p. 166). Thus, Armenia would further victimized and endure Turkish hostile policy – largely regarded as the biggest impediment to country's peaceful and free development (Sargsyan, 2013a).

Similarly, given Azerbaijan's strong cultural, economic, political ties with Turkey, coupled with their ‘coordinated’ blockade imposed on Armenia, there has been a tendency in the Armenian discourse to regard them as identical entities: ‘The Turkish-Azeri tandem formed under the “One nation, two states” slogan, for over twenty years through the blockade, deepening of the lines of division and rejection of cooperation has been trying to compel Armenia to make unilateral concessions’ (Sargsyan, 2013a).

Moreover, over time Sargsyan resorted to civilizational and cultural othering of Turkey's ‘little brother’ Azerbaijan. He particularly questioned the Europeanness of Azerbaijan as ‘the only country on the European continent that boasts the manifold increase in its military spending’ (Terzyan, 2018, p. 169).

The Sargsyan-led discourse suggests that in effect there could be no common ground between ‘European’, ‘peaceful’ Armenia and ‘non-European’, ‘dictatorial’ Azerbaijan. “Coercion, violence, terror, war; these are our opponent's notions of reality. They are trying to impose upon us the same notions they force on their own people (Sargsyan, 2013b).

The above-mentioned statements and notions are indicative of the huge gaps between conflicting societies, fraught with mounting arms race and hostilities.

Clearly, it would be unrealistic to expect major breakthroughs following the “Velvet Revolution.” From the outset of his prime ministership Nikol Pashinyan brought up the issue of Nagorno Karabakh’s inclusion in the negotiations over its status as a prerequisite for conflict resolution: “To prepare the people of the region for a peaceful solution to the conflict, I have announced that the settlement should take into consideration the interests of all three parties; namely, Armenia, Nagorno-Karabakh and Azerbaijan... It is absolutely necessary to get Nagorno-Karabakh involved in the negotiations, in a process that ultimately will determine the status of Nagorno-Karabakh and ensure the security guarantees for the people who live there” (Euractiv, 2019).

In response, the President of Azerbaijan Ilham Aliyev affirmatively rejected the Armenian proposal on a change to the talks format on the settlement of the Nagorno Karabakh conflict, asserting that “it is unacceptable, and it is an attempt to block the negotiations process” (Radio Liberty, 2019).

Moreover, the Defence Minister of Armenia Davit Tonoyan has ruled out any unilateral concessions and said that Armenia is in the process of expanding and improving its defence capabilities. He put forth the new Armenian approach formulated as “new territories in the event of a new war:” “I, as the Defence Minister (of Armenia), say that the option of return of ‘territories for peace’ will no longer exist, and I have re-formulated it into “new territories in the event of a new war” (Asbarez, 2019).

While the Armenian leadership strives to build country’s resilience against mounting assertiveness and pressure emanating from Azerbaijan, the latter sticks to its guns and brushes off new suggestions. As a result, there is not much to address mounting concerns over further escalation of the Nagorno Karabakh conflict. That said, there is no sign of a breakthrough on the long-standing confrontation.

Meanwhile, the lessons of failed Armenian-Turkish rapprochements suggest that there can be no significant development in Armenia-Turkish relations until at least the de-escalation of the Nagorno Karabakh conflict. This assumption is based on Azerbaijan’s vast opposition to Armenian-Turkish rapprochement, which proved instrumental in thwarting it (Mikhelidze, 2009, pp. 1-9). Turkey is well aware of Azerbaijan’s approach to the “Armenian issue” and is highly unlikely to take any measure that would upset bilateral strategic ties.

Meanwhile, the persistence of the troubled neighborhood will inevitably impair the Armenian government’s ability to implement reforms. It is

excruciatingly difficult to build democracy amid mounting hostilities and the necessity of catching up with Azerbaijan's military build-up.

## 5. Conclusions

This article contributes to existing literature on the relationship between domestic change and foreign policy in post-soviet small states. Based on the previous discussion, there are three concluding observations to make regarding the interplay between domestic change and foreign policy continuity in post-revolution Armenia.

First, in terms of foreign policy implications of the revolution, a series of factors ranging from Armenia's heavy economic and energy dependence on Russia, to security alliance and large Armenian community in Russia, have determined continuity in country's "Russia first" foreign policy trajectory. The domestic change has not produced trickle down effects on Armenia's foreign policy landscape and major shifts or u-turns cannot be expected anytime soon.

Second, the limited potential of the EU's economic and political conditionality is a considerable challenge to the effective transfer of European rules in the EAEU member Armenia. The latter is constrained to boost economic partnership with the EU, and fully expose itself to full-hearted compliance with the EU policies in the fields of energy, transport, connectivity and beyond. Nevertheless, even though the "Velvet Revolution" has not led to reverse Armenia's membership in the EAEU, there is insufficient evidence of a negative correlation between Armenia's Eurasian integration and compliance with the EU policies. Thus, Armenia is not bound to Russian "authoritarian resistance." Rather, there is a significant potential for Armenian leadership's political will to lead to consistent compliance with the CEPA provisions with its positive effects on the democracy consolidation and country's significant rapprochement with the EU.

Third, in terms of Armenia's troubled relations with neighbouring Azerbaijan and Turkey, there has been no sign of a breakthrough in long-standing Nagorno Karabakh conflict. Meanwhile, the lessons of failed Armenian-Turkish rapprochements suggest that there can be no significant development in Armenia-Turkish relations until at least the de-escalation of the Nagorno Karabakh conflict. The enemy images of Azerbaijan and Turkey have largely remained unchanged in Armenian political discourse, thus further heightening the perception of Russia as irreplaceable security ally in Armenia's "dog-eat-dog" neighbourhood.

Further research is essential to explore the Armenian leadership's responsiveness towards the European Union's development policies, as well as its ability to balance EAEU membership with the EU rapprochement.

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