Security Review

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Nikol Pashinyan’s Russian Problem

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After the Armenian velvet revolution in the spring of 2018 and the appointment of Nikol Pashinyan as the Prime Minister on 8 May, there were two main questions on the Armenian agenda.

First: will Pashinyan be able to consolidate power? Despite the revolution, the answer was not clear at that time since the majority in the Parliament was still retained by the former ruling Republican Party.

Second: if Pashinyan and his team do manage to consolidate their control of the country, will they be able to defeat corruption, reduce the influence of the local mafia-type clans, initiate the country’s rapid development and, ultimately, fulfill the mandate for which the Armenian people put them at the helm of the country?

The first question was answered on 9 December 2018 when Pashinyan’s My Step Alliance took 70.42% of the votes in the snap parliamentary election and, as a result, gained control of the Parliament. It means that Pashinyan is now fully in power in Armenia. It also means that, in the eyes of the public, the responsibility lies entirely with him.

The second question will be answered in the near future. Nikol Pashinyan is trusted by Armenian society. The future preservation of this trust, however, will depend on whether or not he validates the positive expectations of the public. Pashinyan has demonstrated that he is capable of acting in a decisive manner. Also, the Georgian example from 2004-2006 is proof that a South Caucasian country that used to be under Soviet occupation can perform radical and effective reforms.

Pashinyan is facing an additional problem, however, in the form of Russia which is not fond of regimes that come to power through revolutions. Moreover, the fight against corruption and the weakening of mafia-type clans do not benefit Russian influence in Armenia. Consequently, at some point during Pashinyan’s rule, Moscow might act against him.

**Armenia’s Foreign Policy and Nikol Pashinyan**

Nikol Pashinyan does not appear to intend to fundamentally change Armenia’s foreign policy. This is natural enough because such a change is presently virtually impossible.

The conflict between Armenia and Azerbaijan is not going to end in the near future. The government of Azerbaijan will not officially concede the region of Nagorno-Karabakh itself, even in return for other territories under Armenian control. Likewise, the concession of Nagorno-Karabakh by Armenia is implausible under any government.

Due to what for all practical purposes is a state of war between Azerbaijan and Armenia, Armenian-Turkish relations are also unlikely to improve dramatically. Such a development would be unacceptable for Azerbaijan which is one of Turkey’s main allies. Ankara will not jeopardize its relationship with Azerbaijan for Armenia’s sake.
Taken together, all of these circumstances mean that Armenia, whether authoritarian or democratic, corrupt or “clean” in a Scandinavian-like manner, cannot escape the geopolitical trap that manifests itself in the armed conflict with its eastern neighbor and the poor relations with its western one at the present historical moment. This is a very dangerous situation for Armenia, especially in the long term. Even Azerbaijan alone alters the military balance in its favor every year by virtue of its large financial resources and the investment of these resources in its armed forces. In addition, without a serious deterrent it is impossible to rule out that Turkey might help Azerbaijan in the case of a crisis. Presently, Turkey is demonstrating that it is really capable of acting boldly and vigorously beyond its national borders.

As a result, Armenia is currently unable to leave Russia’s sphere of influence. That would only be possible if some other state or alliance were to provide it with military security guarantees. Such a prospect is not yet visible and as long as this remains the case, no government of Armenia will be able to fundamentally change its relations with Russia.

The previous statements and positions of Nikol Pashinyan demonstrate that he understands Russia’s negative role for Armenia. When the Armenian Parliament ratified the treaty of accession to the Eurasian Economic Union in December 2014, Pashinyan was among the seven MPs who voted against the ratification. In 2015, he said that there are problems in relations between Russia and Armenia and "the largest among them is that Armenian-Russian relations are not based on partnership but rather it is a relationship between a speaker and a listener." In 2017, the Yelk opposition coalition, one of whose leaders was Nikol Pashinyan, proposed in the Parliament to withdraw the country from the Eurasian Economic Union. During the parliamentary debates on this issue, Pashinyan said: "With the accession to the Eurasian Economic Union and in the context of the related processes, the sovereignty of Armenia has suffered a number of serious blows. These processes will continue and after a certain moment they will escape our control, if they have not already." The Yelk faction believed that the membership of the Eurasian Economic Union contributed to socio-economic regress in Armenia, did nothing to help Armenia in its conflict with Azerbaijan (as Yelk noted, Russia was


 supplying arms to Azerbaijan and the other member states of the EEU were supporting it diplomatically) and helped the entrenchment of the authoritarian political system in Armenia.\(^5\)

In October 2017, in his speech in the Parliament, Pashinyan characterized the Russian policy towards Armenia in the following way: "There are some professional card players who say: even if you have a bag full of wheat, I will take all of it from your hands grain by grain. With these agreements, and generally over the last 20-25 years, Russia is depriving us of our sovereignty grain by grain." Interestingly, in the same speech, while addressing another MP, Pashinyan recalled the Russian policy during World War I: "You are lecturing on history here, go and study it yourself, how during World War I the Russians, while taking lands from the Turks, were saying: 'We will kick Armenians out of here and settle Cossacks.' If you think that there was no such thing, I will provide you with books to read so that you can improve the level of your education a little bit."\(^6\)

Even during the velvet revolution, when it had become clear that Pashinyan had a chance to come to power, he said on 24 April 2018 that there are problems in Russian-Armenian relations and noted: "Among others, it is about the problems related to our region and Nagorno-Karabakh and with the supply of Russian arms to Azerbaijan, as a result of which, as we believe, the military balance between Armenia and Azerbaijan is eroding. And I think that Russia, willingly or not, is facilitating this."\(^7\)

Despite his realistic perception of Russia and its policy, Nikol Pashinyan is compelled and, as a result of the national security requirements of Armenia, even obliged to take into consideration the aforementioned relentless geopolitical reality that is forcing Armenia to remain within the Russian sphere of influence. Also on 24 April, Pashinyan said: "We have big problems protecting not only the Armenia-Turkey but also the Armenia-Azerbaijan border. The fact is that Armenia does not presently have enough of an army to defend all of its borders. This is the political reality that any Armenian government has to take into account."\(^8\)

During the revolution and after assuming power, Pashinyan has repeatedly stated that Armenia will not reconsider its foreign policy orientation or hinder the functioning of Russian military bases and that it will maintain its membership of the international institutions established by Russia, including the Eurasian

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\(^6\) Ripsime Jebejian, "Now Russia Must Have Control Here - Are the Iskanders Supplied to Ss in Place or Not?: Nikol Pashinyan," *Aravor - Armenian News*, 5 October 2017 [in Russian], https://www.aravor-ru.am/2017/10/05/252875/ (accessed on 21 December 2018).


Economic Union. At a meeting with Vladimir Putin on 27 December 2018, Pashinyan said that Armenia was “committed to further integration within the Eurasian Economic Union.”

**Nikol Pashinyan’s Dilemma**

The mandate that the people of Armenia passed to Nikol Pashinyan, first through the revolution and then by the parliamentary election, demands defeating the country’s overwhelming corruption, ending the domination of mafia clans and launching its rapid development. Pashinyan obviously wants to fulfill this mandate, especially since that is upon which his political capital and, consequently, his political future depend.

But in addition to the difficulties generally associated with any serious reform, there is another significant threat facing Pashinyan – Moscow’s attitude towards him. Pashinyan came to power as a result of a genuine popular revolution which is the kind of event that the Russian ruling regime finds particularly distasteful. His democratization policy is in full contrast with the authoritarian political systems of Russia, Belarus and Kazakhstan. His emphasis on equality in the relationships between the states is incompatible with the traditional Russian approach vis-à-vis its post-Soviet neighbors, particularly Armenia. Besides, the Kremlin will not forget Pashinyan’s uncomfortable past rhetoric. He will never be really trusted by Putin and his regim

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Due to the very nature of Russia's ruling regime, its influence on the neighboring countries is significantly greater if the corruption and the sway of oligarchic clans in those countries are high. That is why the declared domestic policy of Pashinyan could reduce Russian control over Armenia. In addition, an undemocratic and corrupt regime in a nation is the best guarantee against the deepening of its relations with the West - in this part of the world, at any rate. Pashinyan has repeatedly expressed his desire to develop a partnership with the West. If he were to succeed in implementing his internal political program, that partnership could become much closer, especially with the European Union.

For these reasons, the Kremlin might decide that the unchanging geopolitical orientation of Armenia alone is insufficient and seek to gain a tighter control over Armenia’s internal politics. It will be very difficult for Pashinyan to fulfill the mandate handed to him by the Armenian people and, at the same time, acquire the Kremlin’s confidence. He will probably fail to do either one or another. That is why in the future he may be facing either a loss of support of the Armenian public or the ever growing problems in his relations with Moscow.

Changes in Armenia

Despite the fact that due to the absence of a parliamentary majority Pashinyan’s rule was not quite stabilized before the parliamentary election on 9 December 2018, his new government began to implement its program immediately. Criminal inquiries were launched against a range of officials and businesses\(^\text{10}\) on tax evasion and other corruption-related charges.

Criminal investigations started, among others, against the following individuals: former President, Robert Kocharyan; several relatives of the former President, Serzh Sargsyan; former Prime Minister, Ovik Abramian; former Deputy Prime Minister and former Secretary of the National Security Council, Armen Gevorgian; Republican Party MP, Manvel Grigoryan, whose family clan used to control the town of Echmiadzin (Vagharshapat); Manvel Grigoryan’s wife, Nazik Amiryan, and his son, the Mayor of Echmiadzin, Karen Grigoryan; Republican lawmakers, Aram Arutinyan and Samvel Aleksanyan, and the former Customs Head, Armen Avetisyan.\(^\text{11}\)


\(^{11}\) On these and other cases see sources at the following links:
https://www.azatutyun.am/a/29661046.html; https://www.kavkaz-uzel.eu/articles/325278/;
https://eurasianet.org/armenias-revolutionary-government-steps-up-anti-corruption-purge;
https://www.rferl.org/a/armenia-anticorruption-wave-pashinian-markarian-grigorian-sarkisian/29328349.html;
https://www.azatutyun.am/a/29652392.html; https://www.kavkaz-uzel.eu/articles/328763/; https://www.kavkaz-
In addition, within the framework of the fight against corruption, tax evasion investigations were started against the Russian Gazprom-owned Gazprom Armenia company12 and the also Russian-owned Armenian Railway.13

Another important case actively pursued by Nikol Pashinyan’s government is the violent dispersal of protesters by the government of Robert Kocharyan on 1-2 March 2008 which resulted in the deaths of eight protesters and two law enforcement agency members. Besides the accusations of corruption, the prosecution of Robert Kocharyan is related to the events of 1-2 March 2008. Also under investigation in connection to these events is the (by now retired) Secretary-General of the Collective Security Treaty Organization (CSTO), Yuri Khatchaturov. During the events of 1-2 March 2008, he was the head of the Yerevan military garrison and the Deputy Minister of Defense.14

On 20 November 2018, Nikol Pashinyan said that along with the fight against corruption, his government had defeated the economic monopolies and delivered equality before the law.15 The majority of Armenian citizens appear to evaluate Pashinyan and his government’s first few months in office positively. This was confirmed during the parliamentary election on 9 December which Pashinyan’s coalition won decisively with 70.42%. It is noteworthy that, according to observers, this election was overall clean.

According to the Armenian Prime Minister, the purpose of the next stage is rapid economic development. His government intends to achieve this by reducing the state apparatus, abolishing taxes on small businesses, creating an attractive environment for investors and continuing the fight against "economic monopolies."16

16 “Pashinyan has Voiced Plans of Reform in Armenia,” Caucasian Knot, 11 December 2018,
Notably, the United States and the European Union have declared support for the new government of Armenia and its reforms.

Problems Appear in Relations with Russia

The disharmony between Nikol Pashinyan’s political project and the Kremlin’s interests is structural and long-term but the signs of trouble have already appeared in the first few months of Pashinyan’s rule.

One of the public disagreements between Russia and the new government of Armenia is related to the criminal cases launched in the summer of 2018 against the former President of Armenia, Robert Kocharyan, and Secretary-General of the CSTO, Yuri Khachaturov.

On 31 July 2018, Russian Foreign Minister, Sergei Lavrov, publicly expressed his dissatisfaction with the investigations against Kocharyan and Khachaturov, saying that it violated the promise of Pashinyan’s government not to pursue political persecution of former officials.17 On 31 August, Vladimir Putin personally expressed his support for Kocharyan when he called him to deliver a birthday greeting. The information about this call was published on the official website of the Russian President.18

On 3 September, Lavrov mentioned Armenia’s obligations to the CSTO and hinted at Khachaturov’s case, saying: "We assume that these obligations are valid and should be fully respected. Including the part concerning the strengthening of the reputation and the prestige of our common organization." Lavrov also said: "We are worried that the situation in Armenia is still boiling, including the investigation of events from ten years ago and continued arrests."19 Earlier, a source close to the administration of the Russian


President told the *Kommersant* newspaper: "Armenian bickering has an enormous negative impact on the image of the whole organization and it is odd that they [Pashinyan’s government] do not understand this."\(^\text{20}\)

At the same time, the position stated regarding the investigation of the 1-2 March 2008 events by the US Ambassador to Armenia, Richard Mills, was sharply different from the Russian one. On 5 September, the American diplomat announced his support for the investigation conducted by Armenia’s new government.\(^\text{21}\)

On 2 November, Yuri Khachaturov was recalled from the position of Secretary-General of the CSTO due to his being under investigation.\(^\text{22}\) Nikol Pashinyan expected and requested for Armenia to be given an opportunity to appoint Khachaturov’s replacement since it was its turn to have a representative in this position. In early September, Pashinyan said: "There is a certain term designated for the Armenian representative to hold the post of Secretary-General. It is not over yet. We have at least a year and a half. It does not matter what the Secretary-General’s surname is. He is supposed to be a representative of Armenia for the whole duration of the term."\(^\text{23}\) However, at the CSTO summit held in Astana on 8 November, Belarus and Kazakhstan opposed the appointment of a new Armenian representative, declaring that the post of Secretary-General should go directly to Belarus which is next in line after Armenia.\(^\text{24}\) As a result, no one was appointed to the post, with its functions being temporarily performed by the Deputy Secretary-General - a representative of Russia, Valery Semerikov.

At the same time, the CSTO summit planned for 6 December 2018 was postponed. Another public disagreement between Armenia and Russia occurred regarding this matter.

On 2 December, Nikol Pashinyan said that the summit was postponed at Vladimir Putin’s request as a result of the continued disagreement over the issue of the new Secretary-General. On 4 December, Putin’s assistant, Yuri Ushakov, declared that the summit was postponed on Armenia’s demand because of the 9 December snap parliamentary election. On the same day, Pashinyan’s spokesman, Arman Egoyan, responded that Armenia had never asked to postpone the summit and that the real reason for the postponement was the one indicated by Nikol Pashinyan. When journalists asked the Russian Foreign

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Ministry’s spokesperson, Maria Zakharova, about Egoyan’s statement, she said the following: "Ushakov’s comments do not need to be reaffirmed. And the statement by the Armenian Prime Minister’s press secretary is a cause for concern in terms of both content and form." On 5 December, Pashinyan himself called Ushakov’s statement "strange" and rejected his claim that the summit had been postponed at Armenia’s request.25

Besides Kocharian and Khachaturov, Russia demonstrated its negative attitude towards the Pashinyan government’s investigation of the 1-2 March 2008 events in the case of one more suspect. On 21 August, Armenia announced that the former Defense Minister, Mikael Arutyunyan, was wanted within the Commonwealth of Independent States (CIS) area. Soon, however, Armenian police received a refusal from its Russian colleagues regarding the request to look for Arutyunyan in Russia.26

One striking aspect of Russian policy towards Armenia is the military cooperation between Armenia’s formal ally, Russia, and its real military adversary, Azerbaijan. One cargo of Russian weaponry was received by Azerbaijan in January 2018 - shortly before the Armenian revolution. As Azerbaijan’s Ministry of Defense clarified, these weapons were specifically designated for the military forces stationed on the Karabakh frontline, opposite to the Armenian troops.27 So far, there has been no sign that Russia intends to alter this policy.

Although the new Armenian government has been refraining from a public dispute with Russia on this subject, Pashinyan has sharply criticized Belarus for the same behavior. On 20 November, Pashinyan stated that “Armenia denounces the military equipment contract between Belarus and Azerbaijan” because it is “aimed against the interests of Armenia and is destructive to the essence of the Collective Security Treaty Organization.”28 On 20 December, the Armenian Foreign Ministry said that selling arms to Azerbaijan contributed to the destabilization in the region, adding that “what is business for some is a deadly instrument for our people.”29

While Putin does not publicly complain about Yerevan’s political course and talks about the strategic relations between Russia and Armenia, other Russian officials indicate that Moscow does not like Yerevan's aspirations to build up close relationships with the West.\(^3^0\) For instance, on 19 December 2018, Russian Deputy Foreign Minister, Grigory Karasin, said: "Against the backdrop of the ongoing radical changes in the country [Armenia], Washington's interference in its internal and foreign political affairs is becoming increasingly unceremonious." According to Karasin, Russia "expects that the current leadership of Armenia, which has acquired the necessary mandate in the parliamentary election, will find within itself the courage to oppose the obvious blackmail and pressure from the outside."\(^3^1\) Pashinyan responded to Karasin’s statement, saying that "Armenia conducts independent policy and will continue to do so."\(^3^2\)

Another instance of public disagreement between Moscow and Pashinyan’s government is related to the US-funded biological laboratories in Armenia. On 17 December, Sergey Lavrov said that Moscow and Yerevan had "almost finished preparing an agreement with Armenia that would rule out the presence of foreign troops in these biological laboratories." On 19 December, in response to Lavrov’s statement, Nikol Pashinyan said: "The former Armenian authorities discussed that agreement with Russia but the government

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I lead has never had talks about this with Russia. We have to ask Mr. Lavrov for a more detailed explanation."33

Unpleasant Forecasts

On 31 July 2018, Rossiyskaya Gazeta - a newspaper issued by the government of the Russian Federation - published an article on Armenia by Fyodor Lukyanov. Even though the author admits that Pashinyan’s government policy is directed at domestic objectives and does not imply foreign policy changes, he believes that, nevertheless, its actions will not be well taken in Russia.

According to Lukyanov: "Impulsive actions in relations with the allies certainly will not serve Armenia well. Doing so in the conditions of the ever increasing geopolitical tension means playing with fire, regardless of the credibility of accusations against General [Yuri] Khachaturov. And the fact that in Yerevan’s actions there actually is no anti-Russian subtext or attempt to make a demarche against allies will not necessarily be considered a mitigating factor. As the Russian proverb has it, sometimes naivety is worse than theft."34

Earlier, on 30 July, similar conclusions (although from a very different perspective) were expressed by Vladislav Inozemtsev in an article published on the Ekho Moskvy website. In his opinion, the prosecution of Kocharyan and Khachaturov "might become a turning point in the relations between Armenia and Russia." Inozemtsev posits: "The transformation of Armenia into a normally functioning, non-corrupt state with a competitive economy and a government that can be changed through a clear procedure is not in the Kremlin’s plans. Moscow may be very interested in maintaining its political and military presence in the South Caucasus and it might be ready to sacrifice something for this but it will not undermine the system that it considers to be the only acceptable one."

"They are still hoping in Moscow that N. Pashinyan will ‘deliver a payback’ to his enemies (this is also within the traditions of post-Soviet politics and, therefore, can be considered normal) and then follow the path typical of the leaders in this part of the world. But if this is not the plan of the new Armenian leadership, it should already start thinking about the future" - concludes Inozemtsev.35

On 2 August, the same opinion was expressed by Konstantin Egert on the *Deutsche Welle* website. Egert notes that although Armenia is not going to fundamentally change its foreign policy, "even this does not satisfy the Kremlin. The foreign policy loyalty of Armenia is not enough. It requires full control and that specific Moscow-type ‘stability’ enabled by shadow deals, persecution of political opponents and international corruption. The current Russian leadership wants that kind of Armenia which, also, relies on the money transfers from the diaspora in Russia."  

**Perils in the Future**

If Pashinyan’s government retreats with regard to the fight against corruption and reforms, it will not be able to fulfill the mandate from the Armenian public and will lose its support. But it is practically impossible to fulfill this mandate without angering the Kremlin. Putin's regime does not need corruption-fighting democracies within the Russian sphere of influence. Only kleptocracies akin to this regime give Moscow sufficient leverage for control and, at the same time, render impossible any serious movement in the direction of the West.

All of this means that sooner or later Russia might act against Pashinyan in some fashion. In this situation, the Armenian Prime Minister has only one trump card, albeit a really powerful one - the support of the majority of the Armenian public. If he keeps his promises, this card will probably remain in his hands.

Moscow, however, is helped by Armenia’s geopolitical trap, the Armenian oligarchic clans dissatisfied with Pashinyan’s administration, the strong presence of Russian security agencies in Armenia and Russia's strong economic influence in the country, including the possibility to manipulate the price of natural gas which matters a great deal to Armenia.

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36 Konstantin Eggert, “Commentary: ‘Ungrateful’ Armenians have Angered Putin,” *Deutsche Welle*, 02 August 2018 [in Russian], https://www.dw.com/ru/%D0%BA%D0%BE%D0%BC%D0%BD%D0%B5%D0%BD%D1%82%D0%B0%D1%80% D0%B8%D0%B9-%D0%BD%D0%B5%D0%B1%D0%BB%D0%B0%D0%B3%D0%BE%D0%B4%D0%B0%D1%80%D0%BD%D1%8 B%D0%B5-%D0%B0%D1%80%D0%BC%D1%8F%D0%BD%D0%B5-%D1%80%D0%B0%D1%81%D1%85%D0%B5%D1%80%D0%B4%D0%B8%D0%BB%D0%B8-%D0%BF%D1%83%D1%82%D0%B8%D0%BD%D0%B0/a-44923089 (accessed on 24 December 2018).


The Armenian-Azerbaijan conflict is also an important factor. By supplying arms to Azerbaijan, Russia is further altering the military balance which has been growing steadily in favor of Azerbaijan thanks to the latter’s large financial resources. The so-called Four-Day War in April 2016 demonstrated vividly how easily the full-scale armed struggle between Armenians and Azerbaijanis might resume. If this were to happen and Azerbaijan achieved some, even limited, military success, it could cause serious political problems to the government of Nikol Pashinyan. Especially, if it were to occur in conjunction with Moscow’s other actions directed against him.

Nikol Pashinyan cannot change the fact that Moscow does not like him, nor the manner in which he came to power, nor his democratic and anti-corruption slogans, nor his rhetoric about equality in relationships between the states, nor his desire to develop contacts with the West.

The fulfillment of his promises to the Armenian people means irritating the Kremlin due to the very nature of these promises. At the same time, Pashinyan cannot escape the Russian sphere of influence due to the existing geopolitical reality. All of this means that the Republic of Armenia, Nikol Pashinyan together with his team, and the majority of the Armenian people who support them, might have a difficult period ahead of them.

**Georgian Perspective**

From the Georgian perspective, the following would be desirable: 1. For Nikol Pashinyan’s team to carry out reforms that will facilitate the rapid and successful development of Armenia; 2. For this team to also be successful in surviving the potential threats it is facing.

We should not have a naive illusion that Armenia can change its basic geopolitical orientation in the nearest future. This is not going to happen. However, the less leverage Russia holds over Armenia through links with the local corrupt clans, the better it is for Georgia. Precisely the traits of Pashinyan’s political program that irritate the Kremlin are beneficial for Georgia.

In addition, a democratic and successful southern neighbor is favorable for Georgia out of more general considerations as well. Building a free country is easier and safer when you are not the exception in your region in terms of liberty.

Georgian society cannot do too much to help Armenia under Nikol Pashinyan except to continue the good neighborly approach it had during the previous Armenian governments. But the developments in Armenia deserve at least careful observation and knowledge on our part. There are various possible scenarios of how events might unfold over there. Which of these scenarios will ultimately play out is important for Georgia.