



## **RSC MONTHLY CLOSED BRIEFING**

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The Regional Studies Center (RSC) held the latest in our monthly series of closed briefings on Wednesday, 30 March 2016, featuring a comprehensive analysis focusing on two main areas:

- (1) an analysis of domestic political developments in Armenia, including an assessment of the recent pro-government coalition, the course of electoral reform, and the outlook of the country's emerging political opposition;
- (2) an assessment of regional developments, including the serious escalation of military tension over Nagorno-Karabakh, recent developments related to the outlook for Armenia-Turkey "normalization" and a preview of the Washington visits by the Armenian, Azerbaijani and Turkish presidents.

In accordance with our standard format, this briefing also featured an informal "off-the-record" closed discussion. As an independent "think tank," the Regional Studies Center (RSC) offers this series of briefings in order to serve as more of a resource for the representatives of the diplomatic community and international organizations in Armenia. More specifically, our aim is to provide an alternative source of objective analysis and information on a regular basis.

## RSC MONTHLY CLOSED BRIEFING

### SUMMARY NOTES

#### I. Political Developments

The current political situation is now primarily driven by the electoral reform process in preparation for the country's 2017 parliamentary election, as a necessity in the wake of the December 2015 passage of the constitutional referendum. Despite the government's engagement of civil society in the electoral reform process, as a result, the process itself has revealed several shortcomings and deficiencies:

**Underlying lack of trust & confidence:** Despite the government's stated goals of "strengthening democracy" and "regaining popular trust" articulated in defense of pushing ahead with the constitutional amendments, the serious lack of public trust and underlying loss of confidence continues to plague the government. In fact, the already weak popular support and lack of legitimacy has actually increased, exacerbated by the conduct of the December referendum and by the public perception of the government's questionable commitment to reform, as well as a distrust of the efficacy of a parliamentary form of government for Armenia.

Yet it is not only the government that lacks public trust and confidence. Rather, the *traditional opposition parties are also now seen as largely discredited, marginal and ineffective* political forces. This perception is just as justified, especially due to the traditional opposition parties' lack of strategy and over-reliance on offering alternative personalities instead of alternative policies;

Moreover, in this context of the electoral reform process, there are three significant observations:

- First, the starting point for the government was deficient in substance but astute as a political tactic. The "first working draft" opened the process as an inferior draft, aimed at highlighting "process" over "product" and designed to stress the "concessions and compromises" by the authorities. This was evident in the concessions over limits on the media coverage, concerning the right of the diplomatic corps to observe the voting, and to install cameras that would videotape voting and counting of ballots in all of the country's 2,000 or so polling stations, for some examples;
- Second, despite the inherent opportunity for reform and political change, the government remains dangerously over-confident and exhibits an "arrogance of power," marked by little or no real recognition of the need to regain the trust and confidence of the public, and few measures that would reassure observers that the authorities realize the imperative for restoring their standing, before both a domestic and an international audience;
- And third, the traditional opposition parties have become even more marginal. While unable to recover from their political defeat in opposing the constitutional referendum, both the older, traditional parties (ANC, Heritage) and the smaller, more radical forces ("pre-Parliament" or New Armenia) have suffered from a rapid erosion of popular standing or support. And more recently, they have been further weakened by their own internal bickering and clashes, especially with the emerging forces of Civil Contract and Bright Armenia, which have quickly overtaken them as serious rivals.

Nevertheless, the government remains firm in blocking other key demands designed to improve the conduct of the vote. These demands, presented by the political opposition parties and strongly advocated by most leading the civil society organizations, include legal safeguards against multiple voting such as (1) the post-election disclosure or publication of the names of eligible voters who cast ballots on election day, (2) the use of indelible ink to mark voters' fingers, and (3) a strictly party-list basis for the parliamentary election. The proposed Electoral Code envisages a more complex electoral system, even if it would abolish nationwide single-mandate constituencies. In addition to the partial acceptance of safeguards, which tends to suggest only a slight improvement of the conduct of the vote, there are also two equally serious concerns. The first concern is evident in the lack of any concrete measures to combat the more egregious pattern of routine manipulation of the vote count. A second concern stems from the absence of any move to counter the inherent advantage of incumbency, whereby the ruling party regularly relies on so-called "administrative resources" to coerce and pressure civil servants in voting for the government's candidates. Thus, from this broader perspective, the danger is that the 2017 *parliamentary election may be slightly "more free," but significantly "less fair."*

Therefore, overall, due to the combination of an "arrogant" government failing to see the need to regain trust and a traditional, but discredited opposition largely bereft of strategy or vision, there is now an ever more open "playing field" for the ascendancy of recently emerged political opposition parties and forces.

### **The Shifting Political Landscape**

But despite the importance of this process, there is a deeper and more dynamic internal shift in the political landscape that is even more significant, with implications for the changing nature of both the ruling Republican Party and the opposition. This is most evident in the recent formation of a new political coalition, as the authorities were able to co-opt the nominal opposition Armenian Revolutionary Federation (ARF or "*Dashnak*") party. At the same time, there is a broader strategy by the president to reform and revamp the ruling Republican Party, in part to leverage the generational and factional fighting already underway within the government and the party. This is also seen in the appointment of new, younger faces to key position, with each new official personally loyal to the president himself.

### **Five Deeper, Longer Term Trends**

From a broader perspective, there are now five deeper, longer term trends now underway in Armenian domestic politics, each holding significant implications for both political stability and political change:

1. ***Underlying weakness and structural vulnerability.*** The combination of underlying political weakness, as seen by the lack of legitimacy and low level of popular support, and structural vulnerability, evident in the inability to more effectively cope with an economic downturn and a failure to reign in the "oligarchs," suggest the risk of a possible "perfect storm" of political and socioeconomic instability;
2. ***The onset of political transition.*** Even before the constitutional change, a political transition was well underway, with a significant shift within the ruling elite, marked by the emergence of a new, younger political elite, positioning themselves to replace the aging "old guard" Karabakh elite that came to power from Karabakh and because of the Karabakh conflict.

Although this new elite is neither automatically better nor inherently more democratic, the transition itself is important in terms of forcing open the closed political (and economic) system. And this is also bolstered by the fact that the real political conflict is no longer between the incumbent government and the traditional opposition, but rather, is a conflict within the ruling elite itself, reflected in an intense competition for more limited resources (including corruption) and an individual clash over political patronage. This internal competition also offers an opening for the emergence of new opposition forces, as the political playing field lacks any credible opposition presence (as yet) and the government is distracted by its own internal conflict;

3. ***Armenia's watershed elections in 2017.*** Against this backdrop, the coming parliamentary election of 2017 represents a crucial watershed or milestone in Armenian politics, for two reasons. First, the election for a new parliament will be the culmination of the transformation into a new parliamentary form of government, and second, the composition of political forces elected to the new parliament will determine the nature of the next government, both in terms of democratic credentials and commitment to reform;
4. ***The Imperative for free and fair elections.*** The coming parliamentary election will also be critical as a test of the government's commitment to meeting public expectations for a free and fair election. But it will also be an opportunity for the authorities to regain trust by ensuring an improved election. And perhaps most importantly, the likelihood of an improved and much more free and fair election is actually stronger than before for several reasons. First, as the culmination of the government's constitutional changes, the coming election will garner much greater scrutiny, from both the international community and against pressure from within society.

Second, this government is more hard pressed to carry out systemic voting irregularities than the past, due to the economic crisis, which makes "buying" the election more expensive for a weakened government, and because of a new opposition strategy to leverage a more vibrant and empowered wave of activism, as well as better organized civil society, in order to mobilize a much more extensive election observer and proxy force than any previous election;

5. ***New opportunities and advantages.*** Despite the immediate, short-term negative impacts of the new constitutional changes, there are at least three important medium- to long-term opportunities and advantages inherent in the resulting switch to a parliamentary form of government. First, the new parliamentary form of government will foster the development of a new, more serious party system, encouraging the formation of more pluralistic political parties forced to formulate policies and forge broader grassroots membership in order to secure seats in the new parliament.

A second opportunity is the positive impact on the parliament as an institution, with a chance to enhance the capacity of the legislature, at the expense of a largely ceremonial or symbolic presidency. This will also enhance the power and authority of the parliament, whose role will no longer be limited to serving as a mere implementer of government directives, but will become the initiator of government policies. Third, in some ways, the most important longer term advantage stems from the fact that once the transformation into a parliamentary system is complete, any future return to an authoritarian, strong-man executive will be very difficult if not impossible.

## II. Regional Analysis

### *Nagorno-Karabakh: Escalating Tension*

As we assessed in both our December 2015 report: “RSC Nagorno-Karabakh Situational Assessment”<sup>1</sup> and in previous Monthly Briefings, the escalation of both tension and military operations over Nagorno-Karabakh, but also including attacks targeting Armenia proper, raises serious concerns over the resiliency of the already fragile 1994 ceasefire in place.



Moreover, there are several factors underlying the significance of this latest escalation. Beyond the spike in ceasefire violations, representing the highest level of deaths over the past twenty years, this escalation is dangerously defined by five underlying components:

- **greater operational intensity**, whereby recent ceasefire violations have included the use of mortars, grenade launchers, and armor, well beyond routine sniper fire, representing a serious expansion of intensity since the May 1994 ceasefire;
- **increased operational tempo**, with more frequent attacks by reconnaissance missions and probes of defensive positions involving better trained Azerbaijani units endowed with greater operational autonomy and authority than standard front-line units;
- less deterrence and **more willingness to use force**, as Azerbaijan’s force posture has become significantly more assertive, reflecting its frustration over the peace process;
- **expanded battlespace**, with Azerbaijani attacks on Armenia proper, targeting largely civilian population centers in the southern and north-eastern regions along the Armenian-Azerbaijani border;
- a **sustained “arms race,”** with a trend of consistent increases in defense spending (see chart below) and the procurement of more advanced offensive weapons systems.

<sup>1</sup> For the full report, see: “RSC Nagorno-Karabakh Situational Assessment,” Regional Studies Center (RSC), Yerevan, Armenia, 14 December 2015. [www.regional-studies.org/en/publications/analytical/467-141215](http://www.regional-studies.org/en/publications/analytical/467-141215)

<b>The South Caucasus: Regional Defense Spending (2004-2013)</b>			
<b>2016</b>	\$433 million	\$1.3 billion	\$328 million
<b>2015</b>	\$500 million	\$4.8 billion	\$324 million
<b>2014</b>	\$450 million	\$3.8 billion	\$410 million
<b>2013</b>	\$447 million	\$3.7 billion	\$407 million
<b>2012</b>	\$400 million	\$3.1 billion	\$412 million
<b>2011</b>	\$387 million	\$3.1 billion	\$432 million
<b>2010</b>	\$360 million	\$2.15 billion	\$443 million

**Sources:** Radio Free Europe/Radio Liberty (RFE/RL), SIPRI Database, Jane's Information Group, RSC monitoring & local sources

Yet again, for the Azerbaijani side, this most recent escalation was timed with the “diplomatic calendar,” prior to the attendance of the Armenian and Azerbaijani presidents at the Washington Nuclear Security Summit on 31 March 2016. Yet there are well-founded expectations for yet another escalation in April (coinciding with the annual commemoration events of the Armenian genocide) and in light of the need for the Azerbaijani leadership to garner domestic dividends from such attacks and to distract from their own domestic socio-economic problems.

### *The Nagorno-Karabakh peace process*

Against that backdrop of escalation, the Karabakh peace process also looks bleak. The presidents of Armenia and Azerbaijan last met in Switzerland in December 2015 and although the meeting was in itself important, the sides remain too far apart on core issues, with little likelihood for any resumption of substantial negotiations. And the failure of the US attempt to bring the presidents together on the sidelines of the Washington Nuclear Security Summit in Washington also reaffirms the obvious lack of political will for diplomatic compromise and political concession.

Therefore, current efforts are now reduced to the lowest common denominator of a “back to basics” diplomacy driven by two basic goals: first, to simply keep the peace process alive and, second, to prevent an outbreak of even more serious hostilities. And while the longer term goal is to bolster the stalled peace process, the glaring need for an agreement on specific confidence-building measures (CBMs) presents an even more basic challenge to the mediation effort.

### *The Outlook for Armenia-Turkey “Normalization”*

In light of both the pressing security challenges from escalating violence in eastern Turkey and terror-related threats emanating from the war in Syria, as well as the crisis in Turkish-Russian relations, the short-term outlook for any possible Turkey-Armenia “normalization” appears bleak at this point.

Moreover, in response to the recent expansion of Russian airpower in Armenia, Turkey may perceive this latest move to strengthen Russian surveillance on the Armenian side of the closed border as a provocative and possibly aggressive move. From a military perspective, such a view is also related to the wider context of Russian power projection on several fronts, ranging from the Black Sea to the Syrian theater. Turkish military planners may, therefore, reinforce their own forces along the closed border with Armenia. Such a move by Turkey may be logical, reflecting a more assertive force posture also related to the escalation of military operations against the Kurdish PKK insurgency in eastern Turkey. At the same time, however, the Turkish military will likely be more cautious in refraining from any direct confrontation, avoiding any repeat of its October 2015 incursions into Armenian airspace.

And the Russian move to strengthen and expand its presence in posture on the Armenian side of the closed border is also related to the crisis with Turkey, with Armenia offering Russia the means to not only pressure Ankara but to also further divide Turkey and Azerbaijan. In this regard, the recent statement of the Secretary General of the Collective Security Treaty Organization (CSTO), Nikolay Bordyuzha, during his recent visit to Armenia was significant. Breaking from CSTO policy, he announced that the presence (and the force posture) of the Russian military base in Armenia was not directed against Turkey. Rather, he contended that the Russian base was “there for Nagorno-Karabakh, even if it stands on the Armenia-Turkey border,” perhaps seeking to reassure Armenia of the premise and promise of the CSTO (and Russian) role as a security guarantor.

Nevertheless, especially in the wake of the Russia-Turkey crisis, the Russian military base in Armenia is making Armenia a target, as Russia seems intent on only escalating pressure on Turkey and may be tempted to use Armenia against Turkey in such a scenario. Fortunately, the Armenian government has been fairly cautious in preventing any such danger of being used by Russia to pressure Turkey.

This may also trigger a sense of Russian disappointment with Armenia, however, especially as Moscow’s recent attempts to provoke a hostile anti-Turkish mood in Armenia has failed. This Russian effort to mobilize Armenian public opinion and to pressure the Armenian government against Turkey was most evident in the attempts in the Russian Duma to raise the Armenian Genocide issue and to challenge earlier Soviet-Turkish border agreements, each of which failed to trigger any significant embrace by Armenia, for example.

But this failure may now prompt Moscow to more directly engage in domestic Armenian politics, based on Moscow’s long-standing preference for not only a pro-Russian government in Armenia, but to also maintain a pro-Russian opposition.