



**Regional Studies Center (RSC)  
Yerevan, Armenia**

## **ARMENIA 2018: POLITICAL TRANSFORMATION & TRANSITION**

### **A SUMMARY POLITICAL ASSESSMENT**

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#### **Introduction**

With less than three months to go until Armenia completes its transformation to a parliamentary system, some recent developments are starting to shed light on the usually opaque process of Armenia's political transition. More broadly, the country faces an unprecedented transformation from a presidential system, whereby Armenian governance has been defined by a short history of only three presidents, with each hindered by tainted elections and authoritarian tendencies.

Armenia now faces a pressing timetable to complete this systemic transformation, with an indirect presidential election due by 10 March, followed by the selection of a new premier to serve as the next head of government at the close of incumbent President Sarkisian's second, final term on 9 April. For both positions, president and premier, there will no longer be national direct elections. Rather, the president will be elected by the parliament and the next prime minister will be approved by a small "electoral college" comprised of parliamentarians, regional governors, and a few other state officials.

#### **Symbolic "Head of State"**

Under the terms of the revised Armenian constitution, the next president will be a largely symbolic "head of state," similar to the examples of Georgia, Israel, and some European states, elected by parliament for a 7-year term. The presidency will also lose its legislative veto power and will hand over the position as commander-in-chief to the next prime minister, with a figure head role based more on ceremonial duties. The presidential candidate, nominated by the ruling Republican Party, must be chosen by 10 March, one month before the end of President Sarkisian's final term, and must garner a three-fourths majority to be elected on a first ballot, or by a two-thirds majority in a second round of voting. In the event of a third round, the nominee is to be elected by a simple majority.

Clearly, given the majority of seats held by the ruling Republican Party and the rather weak position of the opposition, the Republicans' nominee will have a significant advantage over any rival candidate. Nevertheless, the strategy of the incumbent president, and his Republican Party, is to seek broader multi-party backing for his nominee, conforming to the vision of the next president as a symbolic "head of state" acceptable to a wider political spectrum and as a figure more appealing to the Armenian diaspora outside of the country.

## The Presidential Nominee: Armen Sarkissian



Instead, in a 19 January announcement, President Sarkisian announced his preferred candidate for president: former Armenian Prime Minister and current Ambassador to the UK Armen Sarkissian. Although the 64-year-old Sarkissian is neither a relative nor a particular close friend of the incumbent president, he is seen as a presidential candidate with fairly broad-based appeal, offering a more presentable face to the diaspora and a more practical bridge to other parties, especially the Armenian Revolutionary Federation-Dashnaksututun (ARF-D), which strongly backed him during his brief, four-month tenure as premier from 1996-1997. That unusually brief tenure was not due to any political crisis, but stemmed from health problems, as Sarkissian resigned the post after suffering from serious cardiac problems, which compelled him to return to the UK for treatment.

Moreover, Sarkissian, who has lived in the UK for nearly three decades, is not seen as particularly ambitious politically and with no real power base in Armenia, is accepted more a political outsider of utility for the current elite. Sarkissian is a physicist and mathematician by education, and worked at Cambridge University when he was appointed in 1991 as Armenia's first ambassador to UK, until he was sacked by former President Robert Kocharian in 1999. He then stayed in London and worked as an advisor to major Western corporations such as BP, Alcatel, and the Bank of America, as well as founding a center at the Cambridge University business school from 2001-2011. In 2013, Sarkissian returned to the post of Armenian Ambassador to the UK, although he was largely seen as well-connected but erratic, with his personal business and philanthropy interests coming well before his diplomatic duties and responsibilities.

Although very wealthy, unlike Armenia's home-grown oligarchs, Sarkissian's wealth is less tainted by corruption and enjoys a greater degree of respect for his intelligence and business acumen. However, his brazen wealth, which has usually been flaunted, is matched by a rather over-sized ego and personal arrogance that has contributed to a rather negative image in Armenia. At the same time, despite his connections and Western experience, his appointment may actually weaken and undermine political reform as it will only personify the problem of business and politics in Armenia.

Interestingly, the original choice for the symbolic president, the 70-year-old Constitutional Court Chairman, Gagik Harutiunian, turned down a preliminary offer to seek the presidential post. Harutiunian, a former Communist Party figure in the Soviet period, was elected in 1990 as the deputy speaker of the country's first post-Communist parliament before being elevated to the now defunct position of vice-president in the Ter-Petrosian Administration. He then served as the chairman of the newly established Constitutional Court in 1996 and throughout his long tenure, has rarely issued rulings against a sitting Armenian government.

## The Next Premier: Three Scenarios

Beyond the recent move to name the nominee for the presidency, the real issue remains unresolved: namely, the related questions of what becomes of the incumbent president and who becomes the next premier. After a decade in office, President Serzh Sarkisian is now the third, and last powerful executive, as the personal power, policy authority and political prerogative of the next head of government will be vested in the office of the prime minister. In the current context of suspense and perhaps surprise, there are three (at least) likely scenarios for assessing the identity and the implications from the selection of Armenia's next leader:

### I. Scenario One: *A Transitional Status Quo*

Despite the rumors of a standard, straightforward move by incumbent President Sarkisian to take over as premier as soon as his terms ends in April, such a scenario may be simply too bold and brazen, even for Armenia. In fact, in a move that would not only entice observers but also enflame his opponents, by not seeking to assume the position immediately, Sarkisian could be in a stronger position for a later move. More specifically, under this scenario of a "transitional status quo," Prime Minister Karen Karapetyan would retain his post and continue as premier, but offset or balanced by President Sarkisian's continued role as the leader of the ruling Republican Party.

Politically, keeping the 55-year-old Karapetyan as prime minister would not suggest any real surrender of power by President Sarkisian, however. Rather, a temporary pause or tactical retreat by Sarkisian would tend to disarm his most vocal critics and offer two significant politics dividends. First, internally, it would only deepen the political utility of keeping Karapetyan as an attractive and useful scapegoat, ready to be sacrificed at a more opportune time. And as Karapetyan is rather exposed, as he is still better connected in Moscow than Yerevan and, more crucially, has raised expectations dangerously high with his at times outlandish promises of massive foreign investment since his appointment in September 2016. This makes Prime Minister Karapetyan vulnerable for being blamed for shortcomings in the economy and for failure over anti-corruption efforts, clearing a path where President Sarkisian could orchestrate his removal and take over leadership as a "savior" necessary to restore strong leadership.



Externally, this scenario also offers Sarkisian an initial respite and a period of preparation to reassure Moscow that he is more reliable and dependable. Such a temporary transition, it can be argued, would exploit the fact that Karapetyan's appointment was a move by Moscow forced on Yerevan, but that is no longer necessary to maintain the stability inherent in a status quo. And as a face-saving move, Karapetyan could, as he has done once before during his abbreviated nine-month tenure as Yerevan Mayor, return to his safe and trusted position with Gazprom in Moscow.

## II. Scenario Two: *The Challenge of Insecurity*



Beyond the scenario of retaining Karapetyan as premier, at least temporarily, a second scenario, which is the more publicly accepted, involves the incumbent president assuming the post of prime minister immediately after the end of his final second term as president. The argument for such a Putin-style move would rest on the need for consistent and continued leadership in the face of threats over Nagorno-Karabakh, on the lack of any real viable alternatives, and on the appeal of staying in power during a dangerously unpredictable period of structural and systemic change. And given the dominance of the ruling Republican party, Sarkisian may calculate that the potential fallout and backlash from such a blatant move would be both minimal and manageable.

## III. Scenario Three: *Promoting the Loyal Subordinate*

A third, but least likely scenario involves the promotion of Defense Minister Vigen Sargsyan to premier. As a loyal and trusted subordinate to Sarkisian, the 42-year-old Sargsyan, although no relation, has long been seen as an “adopted son” for President Sarkisian. And as Vigen Sargsyan was elevated to the Defense Minister position more as a political appointment than as a military decision, he has been seemingly groomed for higher office.



The obvious benefit would be based on a perception of political maturity and even statesmanship, with President Sarkisian seen to be handing power over to a new generation of leadership, further enhanced by the external appeal of the young, Western educated, seemingly reform-minded Vigen Sargsyan. And while retaining both control over the dominant Republican Party and the loyal fidelity of his protégé, Sarkisian could comfortably retreat to the shadows, just as he exercised power and influence years before as defense minister, and continuing as the “power behind the throne.”

But this third scenario is increasingly unlikely, as Vigen Sargsyan has no political power base of his own and his personal power remains both overly dependent and obviously limited to his relationship to the president. In this context, his standing even within the ruling Republican Party is far from assured and he is vulnerable to attacks from several powerful oligarchs, as well as from the Tsarukyan bloc, the country’s second-largest party. Moreover, his possible elevation to the premiership would also trigger a degree of Russian concern, as he has never been seen as particularly subservient or even susceptible to Russian “overtures” of friendship or counsel.

## Political Celebrity

In American politics, there are a few particularly prominent names in politics, from the Kennedy clan to the Bush family, but also including the Cuomos and the Clintons. In tiny Armenia, political prominence and celebrity is defined by but one name: Sarkisian (or Sargsyan). But unlike the political dynasties and personal lineage of the United States, Armenia's Sarkisians/Sargsyans are neither relatives nor even necessarily allies.

Rather, Armenian politics have increasingly become dominated by powerful figures sharing the same surname, with current President Serzh Sargsyan standing as the most recognizable and most powerful figure among his namesakes. More specifically, to illustrate the accidental lineage of the Sargsyan moniker in politics, note the following examples:

Serzh SARKISIAN

Defense Minister (2000-2007); Prime-Minister (2007-2008); President (2008-2018)

Vigen SARGSYAN

Defense Minister (2016-); former presidential advisor and chief of staff

Armen SARGSYAN

Prime Minister (1996-1997); Presidential Nominee (2018-)

Tigran SARKISIAN

Prime Minister (2008-2014); former Central Bank chairman

The sole exception to this non-relative rule, however, was the case of the two brothers, the powerful former Prime Minister Vazgen Sargsyan, slain in the 1999 attack on the parliament, and his surviving sibling Aram Sargsyan, himself a former premier (1999-2000), now affiliated with the parliamentary opposition "Yelq" ("Exit") bloc.

## Background: The Regional Studies Center (RSC)

As an independent think tank based in Armenia, the Regional Studies Center (RSC) conducts a wide range of strategic analysis and objective research, implements a number of educational and policy-related projects, and develops policy initiatives aimed at bolstering political and economic reform and conflict resolution in the broader South Caucasus region. The RSC is also actively engaged in the public policy process and seeks to serve as a catalyst for democratic reform and sustainable economic development through the empowerment of civil society and by contributing to the formulation of public policy through innovative and objective research, analysis and policy recommendations.