



## **RSC MONTHLY CLOSED BRIEFING NOTES**

**26 February 2020**

### **Analytical Notes**

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The following are the summary notes from our most recent monthly Closed Briefing, which was held on 26 February 2020. As an independent “think tank,” the Regional Studies Center (RSC) offers a regular monthly series of “Closed Briefings” to provide a concise analytical presentation of the most significant political, economic and military/security developments in Armenia and the broader region over the previous month. For this February 2020 briefing, RSC Director Richard Giragosian focused on three main areas:

- (1) an updated analysis of political developments in Armenia, with a focus on the planned constitutional referendum and the “court crisis” between the government and the Constitutional Court;
- (2) an assessment of recent economic developments, including recent economic growth, tax collection and reform, and efforts to combat corruption;
- (3) a review of core issues in Armenian foreign policy, including an assessment of the impact of public health on foreign policy, Armenian relations with the EU and Iran, as well as a review of developments in the Nagorno Karabakh (Artsakh) peace process, as well recent issues related to defense and security.

In accordance with our standard format, this briefing featured an informal “off-the-record,” closed discussion. And as the target audience is the diplomatic community and international organizations in Armenia, our aim is to provide an alternative source of objective analysis and information on a regular basis.

**RSC MONTHLY CLOSED BRIEFING****26 February 2020****ANALYTICAL NOTES****I. Domestic Political Developments**

There were two important political developments in January: a move to resolve the “court crisis” between the government and the Constitutional Court by holding a national referendum in early April 2020 on a set of proposed constitutional amendments, and the start of the criminal trial of former President Serzh Sarkisian, in a case that actually has less significance than assumed.

***A Referendum to Resolve the “Court Crisis”***

For the past several months, a simmering political conflict between the Armenian government and the country’s Constitutional Court devolved into a personal confrontation between Prime Minister Nikol Pashinyan and Constitutional Court Chairman Hrayr Tovmasyan. This “court crisis” standoff has now reached its apex, culminating in the Armenian parliament’s 6 February decision to hold a national referendum on a set of constitutional amendments. Set for 5 April, the constitutional referendum will seek the removal of seven justices on the nine-member constitutional court who were appointed by the previous government.

The decision to amend the constitution was not that surprising, as the Pashinyan government inherited a constitutional framework that was adopted in December 2015 that was very much a result of a specific legal design and political direction formulated by the previous Armenian government. But although the objective of amending the prior constitution may be a natural objective for Pashinyan in order to modify an important legacy, the process itself raises concern. More specifically, according to the Law on Referendums, the decision to hold a national referendum to amend the constitution itself requires the approval of the Constitutional Court, the very body that is targeted by the proposed amendments. Therefore, the referendum is an attempt to bypass the constitutional process with a direct appeal to the people.

***Presidential Prudence***

Following the parliament’s vote in favor of a constitutional referendum, President Armen Sarkissian officially set the date of the vote for 5 April, but carefully noting that he held “no position” or preference on the merits of the referendum. The president’s move to distance himself was prudent and was in conformity with Article 123 of the current Armenian constitution requiring that the president “observe the compliance with the Constitution” and “be impartial” and “guided exclusively by state-wide and nation-wide interests.” Although some observers have interpreted the president’s scheduling of the referendum as a show of support for the government’s decision to resolve the court crisis through a national referendum, the president had little choice, and his conscious display of neutrality was important.<sup>1</sup>

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<sup>1</sup> Stepanian, Ruzanna, “Referendum on Armenian Constitutional Court Scheduled for April 5,” Radio Free Europe/Radio Liberty (RFE/RL) Armenian Service, 10 February 2020. <https://www.azatutyun.am/a/30426786.html>

Moreover, on that very same day of setting the date for the referendum, the president challenged the government on a legal issue by submitting bank secrecy legislation developed by the government's parliamentary majority to the Constitutional Court for legal review.<sup>2</sup>

### *A More Complex Context*

The Pashinyan government's campaign of constitutional reform is more complex than merely a political attempt to create a new independent judiciary or a personal attack to counter a hold-over judiciary inherited from the previous government. Rather, the referendum is not a necessarily surefire way out of the court crisis, especially as the government will be challenged to ensure sufficient interest in order to enable adequate turnout. And despite attempts by the opposition to organize a "no campaign" against the referendum, apathy and disinterest pose more formidable challenges to a successful passage of the proposed amendments.

Given that complex context, the government has transformed the referendum into a virtual "vote of confidence" in the prime minister rather than a consideration of difficult to define constitutional amendments. For that reason, the prime minister is leading the public campaign in favor of the referendum, despite the lack of details over the specific constitutional amendments and related electoral law proposals. This also undermines the effectiveness of any public information campaign as there is little awareness of the specific proposals to be considered by the voters in early April. Nevertheless, in light of the personal popularity of the prime minister and the sustained popular support for his government, Pashinyan may be able to leverage his standing into a vote in favor of his referendum, marking his return to the populist politics of appealing to "the street" for support.

And as the referendum requires voter turnout of at least one-quarter of the country's 2.57 million eligible voters, Pashinyan may be able to secure passage. But clearly, the challenge of apathy means that it will be more difficult to ensure turnout than to expect approval, as most prospective voters are widely expected to be in favor of the referendum. Statistically, Pashinyan is also in a strong position. With a threshold of 25 percent of voters, or roughly 650,000 citizens, of which only a simple majority is needed to secure passage, this is less than the more than 884,000 votes for his party in the 2018 parliamentary election, for example.<sup>3</sup>

Yet even prior to the 5 April vote, the referendum itself could theoretically be derailed by a unified attempt by parliamentarians, given the legislative mechanism to block the referendum if some 27 of the 132 deputies submit a parliamentary appeal to the Constitutional Court. With only 17 seats, for such a move to succeed, the opposition Bright Armenia party would have to garner support from another ten deputies from the 26-strong Prosperous Armenia bloc. But although Prosperous Armenia has publicly come out against the referendum, the party has cautiously chosen not to openly oppose the vote, thereby making such a scenario unlikely.<sup>4</sup>

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<sup>2</sup> The president was concerned over the weakening of banking secrecy and customer privacy in favor of wider powers for investigators and prosecutors; see: "Armenian President Challenges Government Bill in High Court," Radio Free Europe/Radio Liberty (RFE/RL) Armenian Service, 6 February 2020. <https://www.azatutyun.am/a/30420726.html>

<sup>3</sup> To put this in perspective, Prime Minister Pashinyan's "My Step" bloc garnered 884,849 votes in the December 2018 parliamentary election, while the two other parties were significantly far behind: despite its 26 seats, the second largest party represented in the parliament, "Prosperous Armenia," secured a mere 103,824 votes, with "Bright Armenia" barely surpassing the minimum threshold with 80,024 votes.

<sup>4</sup> Khulian, Artak and Naira Nalbandian, "More Armenian Opposition Parties to Shun Constitutional Referendum," Radio Free Europe/Radio Liberty (RFE/RL) Armenian Service, 14 February 2020. <https://www.azatutyun.am/a/30434923.html>

An additional complication for the government stems from the potential impact of their opponents. Although lacking either popular support or political organization, a group of some 61 lawyers legally registered a “No Vote” campaign against the referendum. A critical advantage from this legal status stems from the fact that the “No Vote” group will be entitled to two of the seven seats on each of the precinct-level election commissions, as well as receiving an allocation of free air time on television to make their case. The latter is especially important, as “No Vote” leaders have already stated that they may turn over their free broadcasting airtime to other opposition “political forces.”<sup>5</sup>

Thus, the April constitutional referendum will be more of a test of the continued popularity of the prime minister and an endorsement of his government than an accurate reflection of public desire to change the constitution (again). Yet most notably, the decision to hold the referendum in order to resolve the country’s “court crisis” is predicated on the marginalization of the Constitutional Court, while the main intent remains first and foremost on reconstituting that court. This path also tends to undermine the legal basis and constitutional foundation for creating a truly independent judiciary. The referendum is further questionable as the most appropriate and most cost-effective way out of this crisis, as its estimated cost of \$7.3 million represents nearly one-third of total annual state spending on health care alone.

But the referendum may only be the start of a wider effort by the government to remake the constitution. Although the specific details over both the proposed constitutional amendments and changes to the electoral law to be considered on 5 April remain vague, the 15-member commission established in December 2019 and empowered to manage constitutional changes is expected to expand its work and issue further recommendations through the year.<sup>6</sup> For his part, Prime Minister Pashinyan suggested that a second constitutional referendum may also be held to coincide with Armenia’s next general elections set for 2023.

### ***Another President on Trial***

Joining his predecessor to face criminal charges for offenses committed while in office, former President Serzh Sargsyan’s trial opened on 25 February. The 65-year-old Sargsyan is accused of abusing his position by giving preferential treatment for a contract award in 2013 to his friend Barsegh Barseghyan. That contract, which prosecutors charge cost the state nearly \$1 million in losses, was a state tender for supplies of subsidized diesel fuel to farmers that was awarded to Barseghyan’s Flash company over a lower bid from a rival fuel importer. But unlike the more politically-related trial of former President Robert Kocharian, Sargsyan’s case is largely a result of unexpected evidence obtained from an interrogation of former Agriculture Minister Sergo Karapetyan and two other former Agriculture Ministry officials as part of a separate corruption investigation. But as all five men have now been indicted in this case, it seems that the Sargsyan trial was directed more by the evidence and cooperation of other suspects rather than any political motivation by the government to target the former president.

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<sup>5</sup> Saribekian, Gayane and Marine Khachatryan, “Lawyers to Lead ‘No’ Campaign for Armenian Referendum,” Radio Free Europe/Radio Liberty (RFE/RL) Armenian Service, 18 February 2020. <https://www.azatutjun.am/a/30441669.html>

<sup>6</sup> The commission is composed of Justice Minister Rustam Badasyan, human rights ombudsman Arman Tatoyan, the government’s representative to the European Court of Human Rights (ECHR), Yeghishe Kirakosyan, two members chosen from civil society, a representative of the country’s judges, three members designated by each of the three political forces represented in parliament, and six legal scholars selected by the Justice Ministry. For more, see: Bedevian, Astghik, “Armenian Government Pressing Ahead with Constitutional Changes,” Radio Free Europe/Radio Liberty (RFE/RL) Armenian Service, 14 January 2020. <https://www.azatutjun.am/a/30376827.html>

In addition, another key difference from the Kocharyan trial is the stark contrast in the political impact from the Sargsyan trial. For example, with a meager and rather muted group of supporters turning out to demonstrate against the trial, Sargsyan does not hold the same degree of support from opponents and critics of the Pashinyan government and has not been able to unify or mobilize political groups the same way as the Kocharyan camp has been able to in recent months. And in some ways demonstrating the less-than-expected political implications of the trial, Sargsyan's legal "defense" has pursued a questionable strategy of ignoring the charges by focusing on his record as a "war hero" during the Karabakh conflict, a posture that has been both underwhelming in terms of public reaction and undermined by the absence of any past reference to such claim.

Against that backdrop, any credit for Sargsyan's decision to resign from office much faster and easier than expected will now be replaced by a likely conviction for corruption charges that seem significantly more petty than the crimes of his notoriously wealthy brothers and other corrupt close associates. For example, of Sargsyan's two brothers, Levon, one fled the country as a fugitive to escape corruption charges while the other brother, Aleksandr, settled his own tax evasion and corruption case with a \$30 million payment to the state in 2019. In addition, the former head of presidential security, Vachagan Ghazaryan, paid another \$6 million in a similar settlement after he was charged for failing to declare more than \$2.5 million in bank accounts and another \$1.1 million and 230,000 euros in cash in his home.<sup>7</sup>

## II. Economic Developments

### *The "Good Fortune" of Economic Growth*

From the very beginning of the non-violent movement that quickly expanded into Armenia's "Velvet Revolution," it is clear that one of the more consistent and defining characteristics of Prime Minister Nikol Pashinyan has been a combination of luck and good fortune. This is also evident in the country's economic improvement, as Armenian GDP has now posted a 7.6 percent growth rate for 2019, reaching \$13.6 billion in what is now the country's fastest growth since 2008. And faced with pressure from dangerously high expectations that may gradually undermine his continued popularity and public support for his government, the advantages from the luck and good fortune of economic growth are essential. This is also impressive given the fact that economic growth and reform outcomes usually take more time to materialize.

Most notably, this impressive economic expansion has been driven by significant increases in trade and services, including a 9 percent surge in industrial output. And as this growth has surpassed lower expectations, it also provides more credibility to the government's rather optimistic projections of between 6.5-7 percent in GDP growth for 2020, despite an expected global slowdown in growth. This upward trajectory in Armenian GDP growth is also important in terms of the country's longer-term economic recovery, although the IMF Resident Representative in Yerevan, Yulia Ustyugova, has prudently cautioned that this growth has largely been driven by private consumption, rather than as a result of more sustainable growth from rising investments or exports. Additionally, since the World Bank upgraded Armenia's status from a "lower middle income" to an "upper middle income" country in 2018, Armenian GDP per capita has also improved dramatically, and is now set to increase from \$4,530 in 2019 to \$4,760 for 2020, overtaking both neighboring Georgia this year and Azerbaijan by 2021.

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<sup>7</sup> Bulghadarian, Naria, "Charges Dropped Against Serzh Sarkisian's Ex-Bodyguard," Radio Free Europe/Radio Liberty (RFE/RL) Armenian Service, 17 February 2020. <https://www.azatutyun.am/a/30440102.html>

There was also continued improvement in tax collection, as the State Revenue Committee (SRC) reported on 19 February that it has more than doubled the total amount of additional taxes collected as a result of tax audits since last year. More specifically, from some 1,020 tax audits conducted in 2019, the SRC collected \$174 million in additional settlements. Overall, tax collection increased in 2019 by some 16 percent, to a level of \$3.2 billion. Finance Minister Atom Janjughazyan has also promised the introduction of further tax reforms, including business-friendly tax incentives and a centerpiece modified property tax.<sup>8</sup> Such changes to the tax code would follow an earlier round of tax reforms that were implemented in June 2019, and which included the introduction of a new “flat tax” that lowered the corporate tax on profits from 20 to 18 percent and a new “sin tax” with higher excise taxes on cigarettes and alcohol.

### **III. Foreign Policy**

For this period, there were significant developments spanning several key areas of Armenian foreign policy, including the impact of public health on foreign policy, a more sophisticated Armenian strategy of engaging the EU, the challenge of managing relations with Iran, developments in the Karabakh (Artsakh) peace process, as well as notable developments and issues related to the area of defense and security.

#### ***Public Health & Foreign Policy: The Coronavirus Crisis***

In January, Armenian foreign policy faced an unexpected challenge from an unusual policy area: public health. Managing the widening impact of the global coronavirus (COVID-19) pandemic, the Armenian government was quick to take decisive action, demonstrating an impressive degree of coherent and coordinated crisis response. The robust early response was largely implemented by Health Minister Arsen Torosyan, but the prime minister led the policy discussion within the cabinet and ensured greater coordination and crisis planning among several ministries. It was interesting, however, to see who was absent from the policy discussion. The Minister of Emergency Situations, Felix Tsolakyan, for example, was notably absent, while National Security Council (NSC) Secretary Armen Grigoryan was limited to a few press comments.

Armenia’s response to the coronavirus crisis, coordinated through the Foreign Ministry, began with the suspension of the visa-free regime for Chinese nationals on 31 January, followed with preliminary planning for domestic response, including preparations for an extensive mobilization of domestic public health resources involving hospitals and clinics, and culminated in a decision on 24 February to impose strict limits on the Armenian border with Iran. Reflecting a surge in cases in Iran in January-February, this move involved a partial closure of the land border, allowing only trucks and other cargo through under close supervision and medical monitoring, and a suspension of an ordinarily active series of passenger flights. By 29 February, the Armenian Foreign Ministry had evacuated some 65 Armenian citizens from Iran, with another 200 Armenians readied for return to the country from China.

Although the rapid and robust response to the coronavirus crisis was exceptionally prudent, the projected economic impact from both the crisis and its response will most likely negatively impact the economy, especially as the imposition of limits on connections to Iran will impact both tourism and trade, well beyond the loss of the usual influx of roughly 40,000 Iranians normally celebrating the Nowruz holiday in Armenia from 20-22 March.

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<sup>8</sup> “Armenian Government Mulls More Tax Reforms,” Radio Free Europe/Radio Liberty (RFE/RL) Armenian Service, 18 February 2020. <https://www.azatutyun.am/a/30441837.html>

Nevertheless, the government's response achieved an early and successful containment of an otherwise potentially deadly outbreak of the virus, a success further affirmed by the fact that the country has only one confirmed cases of infection to date, for a patient arriving from Iran.

Thus, the crisis response was also noteworthy for several reasons, including the necessity for inter-agency coordination between state ministries, the utility for public awareness and transparency during crises, and as a confirmation of the need to recognize the dynamic nature of threats to national security, especially in unforeseen areas like public health. And as an exercise in crisis management and response, the government's performance should only enhance its public standing and endow it with greater confidence, a particularly important advantage in the face of an undeniably daunting risk matrix that stems from both natural disaster, such as an earthquake, and from the looming risk of renewed hostilities with Azerbaijan over the Karabakh (Artsakh) conflict.

### *Armenia-EU Relations: A More Sophisticated Strategy*

Beyond the traditional recognition of the importance of Armenian-EU relations, the Armenian government has also recently demonstrated a more sophisticated policy of not only engaging the EU but also to enhance Armenia's strategic significance for Europe. This more sophisticated strategy stems from an updated Armenian understanding of the limits of the EU's Eastern Partnership (EaP) programme, as well as a more astute reassessment of changing dynamics among EU member states. In addition, beyond the foundation of the Armenia-EU Comprehensive and Enhanced Partnership Agreement (CEPA), the synergy from underlying bilateral ties only expands the opportunities for closer integration with the EU short of any attempt at seeking membership.

More specifically, this new Armenian strategy toward Europe is expressed through a policy to pursue closer ties with Germany and France in particular. While this policy is based on an assessment that sees Germany as the most influential economic actor within the EU, it is also rooted in a recognition of the emerging role of France as a pivotal geopolitical power, especially as German Chancellor Merkel is expected to be replaced by French President Macron as the primary driver of EU foreign and security policies. Although both factors seek to exploit Armenia's special relationship and close ties with both countries, it is also in part a response to a recent French initiative to engage Russia, which Armenia sees as an opening and opportunity to forge a greater role as a strategic "bridge" or "platform" to guide closer EU ties to both Russia and the Eurasian Economic Union (EaEU).

This was also evident in recent developments, for example, with Prime Minister Pashinyan visiting Germany and meeting with Merkel on 13 February for the third such meeting in 18 months. The visit to Germany also highlighted the important role the country holds as Armenia's largest EU donor and trading partner, demonstrated by the \$451 million in bilateral trade for 2019 that although represents a rather marginal 4 percent increase, still offers consistent and considerable economic support to Armenia. And in terms of local presence and impact, the German metals group Cronimet is not only the largest enterprise operating in the Armenian mining sector, employing more than 4,000 workers, but is also the number one corporate taxpayer in the country.

### *Managing Iran*

For a landlocked country with two of its four borders closed, Armenia has long depended on Iran as its only secondary alternative route for external trade and gas imports. But managing relations with Iran has never been easy for Armenia, as demonstrated by pressure to conform to Western sanctions on Iran to security and the security implications over proliferation and Iran's possible re-activation of its nuclear program. More recently, Armenia has faced renewed difficulty in managing bilateral relations with Iran, driven by fresh security concerns over the possible backlash from the U.S. assassination of the head of the foreign arm of the Islamic Revolution Guard Corps (IRGC), Iran's elite military force, in a targeted drone strike in Baghdad in early January 2020. Fortunately, those concerns over possible "retribution" by Iran for that assassination, sparking fears of a wave of asymmetric warfare and terrorism targeting U.S. and Western interests in Armenia and the wider South Caucasus region, faded quickly.

But there is a fresh challenge looming, however, once again posing a test of Armenia's commitment to Western sanctions against Iran. This challenge stems from the interest of an Iranian petrochemical company in considering the purchase of the Nairit chemical plant in Armenia. More specifically, the Iranian firm, the Tabriz Petrochemical Company, has been under U.S. sanctions since 2018. This situation will pose a difficult choice for the Armenian government. On the one hand, the Iranian company plans to conduct a feasibility study that offers hopes to rescue the Nairit facility, which until its closure in 2010, employed over 2300 workers and was a leading driver of the country's industrial output. But if the Armenian government approves the possible acquisition, the U.S. response is likely to be swift and serious, suggesting the imposition of some form of sanctions on Armenia.

For the Armenian government, however, there is less of a choice than the situation suggests. The likelihood of an Iranian investment or acquisition of the Nairit facility remains very low, for two reasons: first, due to the \$262 million in outstanding debt that would have to be part of the purchase and second, because the Nairit plant's traditional manufacturing of synthetic rubber products have been overtaken by newer technological advances and are no longer competitive in the more modern market for petrochemicals. Beyond this problematic deal, there is still a degree of significant potential for the further development and deepening of Armenian-Iranian relations. This potential has only been enhanced by the recent award of a \$23 million package of EU grants and low-interest EBRD loans to modernize and expand the Meghri border crossing point.

### *The Nagorno Karabakh (Artsakh) Peace Process*

In an unexpectedly intensive round of talks that lasted for two days, the Armenian and Azerbaijani foreign ministers met in Geneva on 29-30 January for what was described as the "most intensive" negotiations in years. With the French, Russian and U.S. mediators from the OSCE Minsk Group present, Foreign Ministers Zohrab Mnatsakanyan and Elmar Mammadyarov held "thorough discussions" and pledged to "support the "intensification of negotiations," suggesting that confidence-building measures (CBMs) will continue over the coming months. According to a joint statement, the "intensive discussions" focused on "possible next steps to prepare the populations for peace; principles and elements forming the basis of a future settlement; and timing and agenda for advancing the settlement process." The mediators also reaffirmed the necessity of "confidentiality in the settlement process" and "the need for creativity and a spirit of compromise."<sup>9</sup> The Geneva meeting was the latest round of negotiations and follows a shorter, one-day session in Bratislava in early December 2019.

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<sup>9</sup> "Joint Statement by the Foreign Ministers of Armenia and Azerbaijan and the Co-Chairs of the OSCE Minsk Group," Organization for Security and Cooperation in Europe (OSCE) Minsk Group, 30 January 2020. <https://www.osce.org/minsk-group/445114>

*Munich: A Missed Opportunity*

In an unprecedented moderated public discussion, Armenian Prime Minister Nikol Pashinyan and Azeri President Ilham Aliyev went head to head on February 15 in a contentious 45-minute exchange that was more of a duel of historical diatribes than a debate over diplomatic discourse. For many observers with little or no prior awareness of the Karabakh conflict, the panel was a disappointment. And for those with a deeper knowledge of the conflict, it was a missed opportunity to elevate the discourse above and beyond the same stale script and bellicose rhetoric that has come to dominate diplomacy over the issue.

Nevertheless, the exchange was important for several reasons. And it started off well, with the Armenian premier warning that “we are repeating every time the same thing,” and noting that “the international community is tired of hearing the same thing, and I think we need to bring some new ideas.” First, the Munich event offered a unique and unprecedented opportunity for the Armenian and Azeri leaders to present their views and visions of the conflict in a public setting before an interested yet neutral audience. For a conflict that is a centerpiece for a strictly closed, confidential and closeted form of diplomatic mediation, the public airing of the differences of each side was an important achievement.

In fact, such public presentations are far too rare, although there is an obvious need for greater engagement by both leaders, of their own population, as well as before the international community. In this regard, however, there has been some progress to date. For example, Armenian Prime Minister Pashinyan has introduced a refreshing degree of transparency and accountability before his domestic constituency, stressing that any resolution to this conflict must be acceptable to all parties, including the population of both Azerbaijan and Karabakh, and not just Armenia. For his part, Aliyev has fulfilled earlier promises to mediators, including the restoration of a “hotline” with Armenia to foster communication to diffuse crises and a commitment to implement “confidence-building mechanisms,” such as an exchange of journalists, for one example. And in a welcome display of maturity and sincerity, Pashinyan hailed the positive reduction in casualties and ceasefire violations, commending Aliyev for carrying out “a mini revolution” by ensuring that “the tension in general (was) reduced unprecedentedly.”

In that context, a second important aspect of the Munich exchange was the fact that despite a degree of disappointment with the devolution of discourse, it was a revelation of the reality of this conflict. From the over-reliance on history to the stark divergence of views, the event only confirmed the inherent difficulty in bridging the divide between the Armenian and Azeri positions. Such a wide divide was only reinforced at the close of the discussion, as Aliyev instead insisted on getting in the last word to reiterate a bellicose repeat of historical claims that extended to even the Armenian capital Yerevan.

And a third, related significance was the importance of revisiting this conflict as both a unique element of insecurity along Europe’s eastern borders and as a reminder of the need for greater European attention and engagement in the Karabakh conflict. Moreover, as the only such conflict with no Russian military presence, it also has the dangerous potential for broader spillover, drawing in both Turkey and Iran, as well as Russia, in the event of renewed hostilities. Thus, although it is important to note the achievement of these leaders in agreeing to effort to begin “preparing their population” for peace, it is also imperative that equal attention is devoted to preparing the politicians for peace as well.

### *Defense & Security*

There were also unexpected developments in the defense and security areas. In response to a crisis within the armed forces in the wake of a sudden surge in non-combat deaths in the army, the commander of the Nagorno Karabakh (Artsakh) Army, Lieutenant-General Karen Abrahamyan, was dismissed on 24 February and replaced by Major-General Jalal Harutiunyan, the deputy army commander and head of the General Staff. The move comes just days after a similar reshuffling in Armenia, when Prime Minister Nikol Pashinyan fired Major-General Artur Baghdasaryan, the head of the Armenian military police, and Major-General Aleksan Aleksanyan, the senior officer in charge of the army department in charge of military moral.<sup>10</sup>

The unusual changes in the most senior levels of both the Armenian and Karabakh command structures came in the wake of a 13 non-combat deaths, consisting of 8 fatalities from “accidents” and another 5 deaths that were ruled as “suicide,” since the start of the year. The surge in non-combat deaths is more than a statistical aberration, however, and reflect a disturbing trend in a breakdown in military discipline and unit cohesion. Although Armenia has struggled to overcome Soviet-era and Russian-style problems with “hazing” in the armed forces, the most likely factor driving this crisis is less one of culture or legacy, however.

Rather, and somewhat counter-intuitively, the situation is more directly linked to a recent effort by the Armenian government to combat corruption within the armed forces. As part of that effort, a number of senior command-level officers have lost their posts and have been reassigned or demoted. In turn, in order to restore unit cohesion and impose higher standards of merit-based promotion and command assignment, a new group of officers have replaced base commanders in recent months. With little combat experience and despite a higher degree of professionalism, the move has triggered a backlash by more junior officers more resistant to reform and from non-commissioned officers (NCOs) more comfortable with the old system of corruption and nepotism. Thus, despite the justified concern over the surge in non-combat deaths, the situation may actually be a sign that reforms and progress are working and over time, the resistance and backlash will quickly be overcome by a restoration of unit discipline and command authority.

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<sup>10</sup> “Senior Military Officials Sacked,” Radio Free Europe/Radio Liberty (RFE/RL) Armenian Service, 19 February 2020. <https://www.azatutyun.am/a/30443679.html>