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## #ElectricYerevan: Why Armenia's Future is in Europe

by Nona Mikhelidze

### ABSTRACT

Armenia's electricity price hike and more broadly its deteriorating economic circumstances have triggered mass protests in Yerevan. But there is more to "Electric Armenia" than economics. Because of the security concerns related to the unresolved Nagorno-Karabakh conflict, Yerevan was forced into a military alliance with Russia. Moscow did not limit this alliance to security issues, but used the alliance to ensure Armenia's full-fledged political and economic dependence on the Kremlin. In order to accommodate Russian interests, Armenia's governance style has become increasingly top down. This notwithstanding a burgeoning civil society, which is mature enough to stand up in defence of democratic values. New forms of active citizenship are emerging in Armenia, as youth movements raise their voice in Baghramyan Avenue. The current demonstrations may not cause a breakthrough and immediate U-turn in Armenia's domestic and foreign policy priorities, but a value system clash between Armenia and Russia is in the making, exacerbating the ongoing clash in EU-Russia relations.

*Armenia | Civil society | Democracy | Energy | Russia | European Union*

keywords

## #ElectricYerevan: Why Armenia's Future is in Europe

by Nona Mikhelidze\*

### Introduction

"Free and independent Armenia. We are the decision makers." With this slogan and a demand to reverse the latest decision to increase electricity prices, thousands of Armenians (mostly youth) are protesting in the capital city of Yerevan. But also in Gyumri, Vanadzor, Ashtarak, Sisian, Alaverdi, Kapan, Spitak and elsewhere. People are shouting: "No to theft!"<sup>1</sup>

The request for a price increase, the third in less than two years, came from the Electric Network of Armenia (ENA), a subsidiary of the Russian company Inter RAO UES, headed by Igor Sechin, a close ally of the Russian President Vladimir Putin. For Armenia, with one-third of the population living in poverty,<sup>2</sup> it is a hard hit.

Local police responded to the protests with repression. They dispersed the demonstrators with water hoses and arrested 250 people (later released). As a consequence, on June 27, Armenian President Serzh Sargsyan said his government would take upon itself the "burden of the increased prices" until an independent audit determines whether the planned price increase by the Russian-owned electricity company is justified.<sup>3</sup> He proposed further to establish an intergovernmental Russian-Armenian commission in order to investigate the financial situation of ENA. However, the demonstrators dismissed the proposal since it would simply mean passing the burden from ratepayers to taxpayers.

<sup>1</sup> Marianna Grigoryan, "Armenia: ElectricYerevan Powers Protests in the Regions", in *EurasiaNet's Weekly Digest*, 2 July 2015, <http://www.eurasianet.org/node/74116>.

<sup>2</sup> See the United Nations website: *Millennium Development Goals Indicators*, <http://mdgs.un.org/unsd/mdg/Data.aspx>.

<sup>3</sup> "Armenian Protesters Defy Police Warning to Disperse", in *Radio Free Europe/Radio Liberty*, 28 June 2015, <http://www.rferl.org/content/article/27098665.html>.

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Resolving the issue will be a challenging task for the national authorities. The people's dissatisfaction has deep roots. It is partly related to the government's social policy and partly to its foreign policy choices. According to a poll of the *Caucasus Barometer*, in 2013 65 percent of Armenians distrust their parliament and 57 percent of them the president.<sup>4</sup> Yet the protests reveal another important fact: Armenian civil society exists; it is developing and vibrant. The youth movement is growing and signalling that important decisions about their future cannot be taken without them.

Within this context, Russia declared it was keeping a close eye on the Armenian events and the European Union (EU) called for a dialogue between state authorities and civil society.<sup>5</sup> The questions that emerge are: what are the causes and main driving factors in the Armenian unrest? Is the post-Soviet space witnessing another revolution? How will Russia react and what is a take-away for the EU?

## 1. The causes and driving factors of the Armenian protests

While the price increases are triggering protests, they also represent an undercurrent of mass dissatisfaction with the country's political system and are only the latest manifestation of a growing youth movement in Armenia. Discontent with Russian policy and its double standards in the South Caucasus is mounting in Yerevan. In particular, the asymmetric relation between the two has turned to be one of the driving forces of the protests.

After the dissolution of the Soviet Union, Armenia, like other Soviet Socialist Republics, became a Newly Independent State. Yet in the last two decades, it has turned into Russia's post-Soviet colony. A clear manifestation of this was when Russian President Vladimir Putin forced his Armenian counterpart Serzh Sargsyan to renounce signing the Association Agreement with the European Union (EU) in favour of joining the Eurasian Economic Union (EEU) instead. The decision was made despite the fact that Armenian authorities declared that Armenia's entrance into the EEU would inevitably cause enormous problems to the economy because of the structural differences between the two.<sup>6</sup> Yerevan sacrificed four years of difficult negotiations with the EU in favour of the EEU. However, Armenia was not rewarded for this "choice." Quite the contrary.

<sup>4</sup> "Opinion Poll: Level of Trust towards Different Political Institutions", in *Caucasus Analytical Digest*, No. 74 (30 June 2015), p. 5-6, [http://www.css.ethz.ch/publications/DetailansichtPubDB?rec\\_id=3331](http://www.css.ethz.ch/publications/DetailansichtPubDB?rec_id=3331).

<sup>5</sup> European Union Delegation to Armenia, *Local EU Statement on recent clashes between protestors and police in the Republic of Armenia*, Yerevan, 23 June 2015, [http://eeas.europa.eu/delegations/armenia/documents/news/20150623\\_local\\_eu\\_statement\\_on\\_recent\\_clashes\\_between\\_protestors\\_and\\_police\\_in\\_armenia\\_en.pdf](http://eeas.europa.eu/delegations/armenia/documents/news/20150623_local_eu_statement_on_recent_clashes_between_protestors_and_police_in_armenia_en.pdf).

<sup>6</sup> Emil Danielyan, "PM cites another hurdle to Armenian entry into Russian bloc", in *Radio Free Europe/Radio Liberty*, 4 February 2013, <http://www.azatutyun.am/content/article/24892837.html>.

According to an Armenian political scientist, despite “the ‘strategic partnership’ and ‘brotherhood’ narratives, Armenian households pay the highest electricity fees in the post-Soviet space, and household gas prices exceed even the costs paid by consumers in Ukraine.”<sup>7</sup> In fact, a report published by Inter RAO UES itself revealed that the company’s earnings from Armenia were 104 million dollars for the first quarter of 2015, compared to 60 million in the first quarter of 2014.<sup>8</sup> Despite Armenians’ huge spending on electricity and a 10-year 45-million dollars loan issued to ENA in 2009 by the European Bank for Reconstruction and Development (EBRD), the ENA offers poor services and frequent power cuts.<sup>9</sup> Furthermore, local mass media talk about the numerous financial abuses by senior managers of the ENA, including unjustified spending on luxury houses and cars.<sup>10</sup> In addition, Transparency International has confirmed that the company’s management of the revenues is largely non-transparent. The ENA operates also the Metsamor nuclear plant (producing about 40 percent of the electricity generated in Armenia) and the Hrazdan thermal power plant. This latter has been expanded by the Russian Gazprom.<sup>11</sup>

Over the years, “all Armenian presidents have sold their country piece by piece to Russia.”<sup>12</sup> Beyond electricity, Armenia is completely dependent on Russia also in the gas sector. Gazprom is the only supplier of gas to Gazprom Armenia (owned by Russians). In 2013, the company increased gas tariffs for Armenians raising them to 270 dollars per 1000 cubic meters.<sup>13</sup> Despite lengthy negotiations between Russia and Armenia, the supplier did not change its decision.<sup>14</sup> On June 2015, Gazprom took control over the Armenian section of an Iranian gas pipeline, the only alternative source to Russian gas in Armenia.<sup>15</sup> Furthermore, Moscow controls the Armenian railway network as well as significant parts of the Armenian telecommunications network.

<sup>7</sup> Ron Synovitz, “Russian ‘profiteering’ at heart of Armenian power protest”, in *Radio Free Europe/Radio Liberty*, 24 June 2015, <http://www.rferl.org/content/article/27091644.html>.

<sup>8</sup> Inter RAO UES, *Inter RAO Group Announced Consolidated IFRS Financial Results for the First Quarter of 2015*, 28 May 2015, [https://www.interrao.ru/en/news/company/?ELEMENT\\_ID=4503](https://www.interrao.ru/en/news/company/?ELEMENT_ID=4503).

<sup>9</sup> Ron Synovitz, “Russian ‘profiteering’ at heart of Armenian power protest”, cit.

<sup>10</sup> Richard Giragosian, “Armenia: approaching the precipice”, in *ECFR Commentaries*, 26 June 2015, [http://www.ecfr.eu/article/commentary\\_armenia\\_approaching\\_the\\_precipice](http://www.ecfr.eu/article/commentary_armenia_approaching_the_precipice).

<sup>11</sup> Ron Synovitz, “Russian ‘profiteering’ at heart of Armenian power protest”, cit.

<sup>12</sup> Amanda Paul interview with Elena Ostapenko, “Все президенты Армении отдавали свою страну России по частям” (All Armenian Presidents have sold their country piece by piece to Russia), in *1news.az*, 3 July 2015, <http://www.1news.az/interview/20150703011222796.html>.

<sup>13</sup> David Hovhannisyanyan, “100 Days: The Foreign Policy Dimension”, in *Caucasus Analytical Digest*, No. 53-54 (17 July 2013), p. 23-26, [http://www.css.ethz.ch/publications/DetailansichtPubDB?rec\\_id=2627](http://www.css.ethz.ch/publications/DetailansichtPubDB?rec_id=2627).

<sup>14</sup> Ibid.

<sup>15</sup> Giorgi Lomsadze, “Is the Yerevan Protest Risky for Russia?”, in *Tamada Tales* | EurasiaNet blog, 24 June 2015, <http://www.eurasianet.org/node/74006>.

Some local political analysts accuse the government of President Sargsyan of supporting the business interests of Russian state-owned companies in Armenia over those of the people. They believe that by doing so officials are further detaching the country from European values and creating enormous challenges in relations with the "civilised world."<sup>16</sup> Similarly, the protesters on Baghramyan Avenue believe that the price increases are due to corruption. Many demonstrators say they are suffering from the corruption of oligarchs entrenched in the national political system as well as in Russian enterprises. And now all understand that "the post-Soviet system in Armenia, which by itself represents the Russian-style system of vertical corruption, does not work anymore."<sup>17</sup>

In addition to electricity and gas dependence, Armenia is economically dependent on Russia and its currency is tied to the Russian rouble. Because of the drop in oil prices and western sanctions on Russia, the recession in the Russian economy has caused problems also for Armenia. The local currency, the *dram*, has suffered a 15 percent drop in value and the economy has witnessed a sharp decline.<sup>18</sup> Furthermore, Armenian emigrants working in the Russian Federation and sending home remittances are suffering from the current Russian economic difficulties. Indeed Armenian remittances are down by some 40 percent since the start of the 2015.<sup>19</sup> Thus, the Russian market has turned out to be less attractive for the Armenian labour force. According to Stepan Grigoryan, after Armenia entered the Eurasian Economic Union, the country witnessed a 15-20 percent drop in production and trade volume and a fall in foreign direct investments (FDI).<sup>20</sup> This is because Armenia had to raise import and export tariffs to match those of fellow EEU members Russia, Kazakhstan and Belarus. This has surely affected negatively Armenia's trade relations with other economic partners (especially EU Member States). Bringing Armenia's economy closer to Russia's worsened the country's socio-economic situation. "It was clear that it would have caused a public reaction. Youth are the most sensitive part of the society; they were first to realise that in such a situation they do not have a prospective," declared the analyst.<sup>21</sup>

<sup>16</sup> David Shanazaryan, "The RA government authorities defended the interests of the Russian corrupted system", in *Aravot.am*, 24 June 2015, <http://en.aravot.am/2015/06/24/170765>.

<sup>17</sup> Marianna Grigoryan, "Armenia: Can the Protests Bring Change?", in *EurasiaNet's Weekly Digest*, 29 June 2015, <http://www.eurasianet.org/node/74071>.

<sup>18</sup> Armine Sahakyan, "Russia's colonialist mentality lives on in Armenia", in *KyivPost*, 26 June 2015, <http://www.kyivpost.com/opinion/op-ed/armine-sahakyan-russias-colonialist-mentality-lives-on-in-armenia-392052.html>.

<sup>19</sup> Richard Giragosian, "Armenia: approaching the precipice", cit. See also World Bank, "Migration and Remittances: Recent Developments and Outlook", in *Migration and Development Briefs*, No. 24 (13 April 2015), <http://siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1288990760745/MigrationandDevelopmentBrief24.pdf>.

<sup>20</sup> Stepan Grigoryan interview with Koba Bendeliani, "Somkhebma sulelebivith davujereth Moskovs da Evraziul Kavshirshi Gavgavtsevriandith" [We, Armenians trusted Russia like fools and joined the Eurasian Economic Union], in *Interpressnews*, 26 June 2015, <http://www.interpressnews.ge/ge/interviu/336241->

<sup>21</sup> Ibid.

There have been two other developments causing Armenian dissatisfaction with Russia. First, in the summer of 2013 Moscow signed an arms deal with Azerbaijan (with whom Armenia has a conflict over Nagorno-Karabakh) becoming the pre-eminent arms supplier for Baku. Second, on January 2015 a Russian soldier killed seven members of an Armenian family in Gyumri (the city where the Russian military base is located). Initially, the Kremlin refused to let Yerevan try the soldier, yet in view of the protests Moscow decided to transfer the criminal case to the Investigative Committee of Armenia.<sup>22</sup>

Last, but by no means least, is Armenia's political dependence on the Kremlin. The perception among the society is that any kind of power change or appointment to high level government posts can occur only after receiving Moscow's blessing. The best evidence of this practice is the pre- or post-electoral visits of Armenian politicians to Russia. "Those who are granted a meeting with the 'tsar' (and probably negotiate with him successfully) become, obviously, the lead candidates and/or acquire *carte blanche*."<sup>23</sup>

Summing up, the immediate cause of the protests in Armenia was the increase of electricity prices and more broadly the deteriorating economic circumstances in the country due to the corrupt political system as well as the economic recession in Russia. However, there is more to "Electric Armenia" than economics. Because of the security concerns related to the unresolved Nagorno-Karabakh conflict, Yerevan was forced to opt for a military alliance with Russia. Unfortunately Moscow did not limit this alliance to military issues, rather it used it to entrench Yerevan's political and economic dependence on the Kremlin. In order to accommodate Russian interests, the governance style of the Armenian authorities has become increasingly top down in a reality where the new generation of civil society is mature enough to stand up in defence of democratic values.

## 2. Russia keeping a close eye on Armenia

The Kremlin's greatest fear is a new Euromaidan and an overthrow of the Armenian government. This would be yet another precedent of a regime change through peaceful protest in the region, inviting ordinary Russians to reflect on similar possibilities in their country. In order to prevent another Ukraine in Russia's "near abroad," Putin is likely to use all its soft and hard power resources. The latter can be easily arranged as Russia has a military base in the Armenian city of Gyumri. As for an ideological war, at the Army 2015 forum, Russian Defence Minister Sergei

<sup>22</sup> "Russian Soldier Will Be Tried In Armenia, Reportedly By Russian Court", in *Radio Free Europe/Radio Liberty*, 13 July 2015, <http://www.rferl.org/content/article/26803699.html>.

<sup>23</sup> Mikhayel Hovhannisyan, "Armenia and Europe: Can a Country Simultaneously Strengthen Autocracy, Deepen Its Ties with Russia, and Become European?", in *Caucasus Analytical Digest*, No. 53-54 (17 July 2013), p. 27-31, [http://www.css.ethz.ch/publications/DetailansichtPubDB?rec\\_id=2627](http://www.css.ethz.ch/publications/DetailansichtPubDB?rec_id=2627).

Shoigu said his ministry plans to commission research on "colour revolutions and society." "We do not have the right to repeat the collapses that occurred in 1991 and 1993 [...] We must understand how to prevent that and how to educate our youth so that they move in the right direction; one that will provide for the continued peaceful, progressive movement of the country," Shoigu stated. This coincided with President Vladimir Putin calling for a referendum to be held in Moscow on restoring the monument to Felix Dzerzhinsky (the founder and head of the Cheka – the bloody secret services of the Communist regime) on Lubyanskaya Ploshchad.<sup>24</sup>

Thus the Kremlin is preparing to avoid "colour revolutions" at home and in the neighbourhood by all means at its disposal. And once it convinces itself that the West is orchestrating the revolt in the streets of Yerevan (and then maybe in Moscow) dramatic developments cannot be excluded. The Kremlin already declared that the US is preparing another illegal coup in Armenia. A Russian news programme was actively promoting the idea that the organisers of the protests in Yerevan are "incited by some nongovernmental organisations [...] most of which live off of grants from the United States."<sup>25</sup> Furthermore, according to the same programme, the demonstrators are rather aggressive and refuse dialogue with President Serzh Sargsyan.<sup>26</sup>

The first deputy head of the State Duma Committee on Nationalities Valery Rashkin believes the US tries to alienate Russia from its close allies – Armenia and Belarus – by organising violent coups.<sup>27</sup> Member of the Duma Committee for International Affairs, Alexander Babakov, suggested that US Assistant Secretary of State Victoria Nuland's February 2015 visit to Armenia could be connected to the current events in Yerevan.<sup>28</sup> With US assistance, local NGOs are trying to mobilise Armenian public opinion against Russia, argued Konstantin Kosachev, the head of the Federation Council Committee on International Affairs.<sup>29</sup>

Russian political analysts share the official narrative and are quick to blame the West for ordering mass protests in the South Caucasus. "This attack on Yerevan was expected as a reaction to its rejection of a semi-colonial Association Agreement with the EU and its joining the Eurasian Economic Union [...] Most likely there are many fighters from Ukraine among the demonstrators and they are being managed by an external headquarters run by the same political technologists that ran Kyiv's

<sup>24</sup> Alexander Golts, "Russia's Top Brass Preparing to Battle Dissent", in *The Moscow Times*, 29 June 2015, <http://www.themoscowtimes.com/opinion/article/524619.html>.

<sup>25</sup> See the programme "Вести в 20:00" (News at 20:00), in *Russia-1 Channel* (formerly RTR Vesti), 23 June 2015, <http://youtu.be/c54Sz4sMUzQ>.

<sup>26</sup> Ibid.

<sup>27</sup> Tatiana Baykova, "Депутаты советуют властям Армении выслать посла США из страны" [Deputies advised Armenian authorities to send the US ambassador out of the country], in *Izvestia*, 25 June 2015, <http://izvestia.ru/news/588103>.

<sup>28</sup> Ibid.

<sup>29</sup> Ibid.

Maidan," the Russian political analyst Segey Markov writes on Facebook.<sup>30</sup> However, there are some others warning that to reduce everything to the ill intention of the US, NATO, or the EU is an enormous mistake and it would only harm Russian interests in the post-Soviet space and in particular in Armenia.<sup>31</sup> But as Brian Whitmore notes, the Kremlin just does not understand the concept of civil society or is unwilling to accept the existence of it.<sup>32</sup> That is why it always demonises the West and views all social protests through conspiracy theories and a geopolitical prism. Meanwhile, an information war has begun and, as the Ukrainian case shows, countering Russian media and state propaganda will be the most challenging task for Armenians.

### 3. A new generation of Armenian civil society

As mentioned in 2013 Armenia was about to sign the Association Agreement with the EU. Yet it was forced to renounce and later to join the Eurasian Economic Union. This was a unilateral decision of the Armenian government. Yerevan never held a referendum on where the population saw its future: in the EU or in a Russian-dominated union. Even if nobody protested loudly against the "choice" (because Russia is the only security guarantor for Armenia), the Armenian youth perceived it as an "act of surrender and submission [...] rooted more in [their] insecurity, rather than security."<sup>33</sup> That is why the EU's rhetoric that Armenia "chose" to be a member of the EEU and now Brussels needs to elaborate an alternative policy framework for Armenia is considered as a disappointment. It is hard to imagine that young Armenians protesting on Baghramyan Avenue can accept in the long run the value system proposed by Russian President Putin.

Armenians, like Ukrainians in 2013, are fighting for a better future. Even if the demonstrators hurried to proclaim that their protest movements had nothing to do with the Ukrainian Euromaidan, the motivations behind the protests suggest that similarities exist. One of them is the emergence of a new civil society, a much more vibrant one than it was 10 or 20 years ago. Like in Ukraine, a grassroots movement in Armenia is aimed at holding corrupt politicians accountable for their actions. Both Euromaidan and "Electric Armenia" call for more transparency and for sustainable democratic development through political and socio/economic reforms. Armenian slogans today recall those of Ukraine's Euromaidan two years ago.

<sup>30</sup> Sergey Markov, "Армения. Волнения спровоцированы повышением цен на электричество, но это предлог ..." (Armenia. The unrest provoked by rising prices for electricity, but it is an excuse), in *Facebook*, 23 June 2015, <https://www.facebook.com/sergey.markov.5/posts/678274678966867>.

<sup>31</sup> Sergey Markedonov, "What Armenians are protesting (and what they're not)", in *openDemocracy*, 24 June 2015, <https://www.opendemocracy.net/node/93842>.

<sup>32</sup> Brian Whitmore, "The Daily Vertical: Moscow Colors in Yerevan", in *The Power Vertical* | Radio Free Europe/Radio Liberty blog, 13 July 2015, <http://www.rferl.org/content/article/27092629.html>.

<sup>33</sup> Richard Giragosian, "Armenia: approaching the precipice", cit.

The Hetq investigative journalism website published a collection of quotations from protesters under the heading "The voice of Armenia's new generation" demonstrating a new wave of civil action and thinking. Here are some of them: "I believe there is only one step needed to change the country [...] an active society must be formed. This, on its own, will lead to the solution of all problems." "There must be generational change [...] We must make sure that legality takes precedence." "Armenia will change when the police department becomes a more humane institution." "School pupils must be instructed to be citizens of an independent country." "Serzh and his gang must be removed." "The first step to change Armenia is regime change. Then, we must be able to operate the electoral system in such a way that we can elect our government."<sup>34</sup> These were the ideals that led Ukrainians to Maidan Square.

The current events reveal that contemporary Armenian civil society is not only about elite NGOs, but also about self-organised, grassroots movements. In order to gain legitimacy in the eyes of the population, these civic activists do not accept any form of funding from international donors. In order to avoid institutionalisation they are functioning on a case-by-case basis. Civic activism is spontaneous and powered by the social media.<sup>35</sup> Grassroots groups have been active on ecological/environmental issues, mainly to safeguard green spaces, preserve an architecturally valuable building area and fight against illegal construction. Examples include preserving an old open-air cinema amphitheatre from demolition and preventing a hydropower station from being constructed at a scenic waterfall site. Last year, grassroots groups conducted a "No to the Mandatory Law" campaign and forced the government to postpone the implementation of a new pension reform.

Also in this case the protests are largely organised through the social media. Apparently, there is no leader and opposition groups do not guide the movement. Demonstrations are dominated by youth in their 20s, which are as sceptical of the political opposition in their country as of the ruling political establishment. Thus, they cannot rely on local political forces. This is the weakness and at the same time the strength of the demonstrators. Without a political leader and/or organised group it is hard to imagine how these protests can be sustained. At the same time, by maintaining distance from the political establishment, the movement proves that its actions are genuine, demonstrating that civil society is courageous enough to fight alone for its rights and hope for real change.

The main take-away for the EU from these Armenian events is the emergence of a new generation of civil society, which could one day become a ruling political force in the country. Bearing this in mind, the question is how to support these

<sup>34</sup> "The Voice of Armenia's New Generation – Three Steps to Changing Armenia", in *Hetq.am*, 24 June 2015, <http://hetq.am/eng/news/61116>.

<sup>35</sup> Yevgenya Jenny Paturyan, "Armenian Civil Society: It is Not All about NGOs", in *Caucasus Analytical Digest*, No. 73 (26 May 2015), p. 2-5, [http://www.css.ethz.ch/publications/DetailansichtPubDB?rec\\_id=3313](http://www.css.ethz.ch/publications/DetailansichtPubDB?rec_id=3313).

young custodians of democracy. NGOs in Armenia have often been perceived as donor-driven and consequently not reliable actors. Therefore, it is risky for the EU to provide direct funding to grassroots movements. It could lead to their institutionalisation and delegitimise them in the public's eyes as real agents of change. Nonetheless, there could be still some indirect ways in order to support these developments. More Armenian students should enjoy the possibility to study in Europe than is now guaranteed through the Erasmus programme or by other European foundations. Furthermore, the EU can organise training courses in order to support capacity building of the youth movements in policy formulation, advocacy skills and active participation in decision-making. To this end, the EU should encourage dialogue between the Armenian government and grassroots movements and encourage the authorities to undertake legislative steps favouring public scrutiny of governance at central and local levels. More broadly, the EU should continue to emphasise democratic development and human rights issues in its relations with Armenia.

### Conclusion

Even if Armenians reject parallels between "#ElectricYerevan" and Euromaidan, both Armenia and Ukraine enjoy a new generation ready to stand up for its rights in order to live in a better country based on Western values. A new sense of active citizenship has emerged demonstrating its force both on Freedom Square and in Baghramyan Avenue in the Armenian capital city Yerevan. Sooner or later, a new political elite will arise out of this civil society causing a shift in the country's domestic and foreign policy. Today, while it is hard to predict how the local protest could evolve, it is certain that Armenian youth with such a spirit of change is likely to look for a better future than a Soviet redux. Relations between Armenia and Russia are based on Armenia's security and economic concerns rather than on common values. This limits the future prospects of this alliance. The current demonstrations may not cause a breakthrough and immediate U-turn in Armenia's domestic and foreign policy priorities (as one cannot expect the Nagorno-Karabakh conflict or the Turkish-Armenian dispute to be solved in the short run), but the value system clash between Armenia and Russia is likely to come to the fore in due course.

Moscow understands that it is the Armenian youth's enthusiasm for change (and not for NATO and/or EU enlargement) that poses the gravest challenge to the Russian establishment. It is freedom of assembly, *per se*, as a democratic right that threatens Putin's regime. The Armenian protest, and the Russian reactions to it, is not really about the West posing security challenges to Russia, but it is all about post-Soviet countries opting for a European model of governance. This undermines the Kremlin's position in the region. That is why declaring some of these countries as buffer zones and blocking their NATO membership will not resolve the West's problem with the Kremlin. Thus, when the EU is revising its Neighbourhood Policy it is extremely important to factor-in the new reality emerging in some of its European partners: a new generation of a vibrant civil society willing to fight for

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Western values. Any new strategy should be based on this very understanding and not on the illusion that with different security arrangements one can solve regional problems and accommodate the interests of all in the shared neighbourhood.

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