1 Nodia, G., ed., *25*
1 Adenauer Stiftung/

–58.
on in Contemporary

1, 22 January. Available
sed 20 January 2019).
eostat.ge/index.php?

of the North Atlantic
assels on 7 December
atm?mode=pressrelea

Beissinger, M.R. and
Comparative Perspective.

, Conflicts. *Nationalities*

ed., *The Mobilization of*
onal Peace, 45–50.
: Tbilisi. *Foreign Affairs,*
1/georgias-long-roadeu

Meskhetian Turks, ECMI
isn/19696/working_pa

cs.
: State Promoted Ethnic

uri etsvia [Bakhtadze: in
oula.ge/ge/story/142406-
cessed 20 January 2019).
of a March 2018 Survey
/sites/default/files/NDI_
2020).

d Transition in the Former

ard, Two Steps Back. In
ge: London, 27–42.
Reforms. Washington DC:

www.worldbank.org/en/

ian: Religious Transform-
GION: Regional Studies of

12

ARMENIA

From revolution to revolution

Alexander Iskandaryan

Introduction: the Nagorny Karabakh conflict and the first revolution

This chapter contains a brief political history of Armenia starting from 1988, i.e. the emergence of the movement that eventually led to Armenia's independence from the USSR, to the present day. The focus of this chapter is on nation-building and elite formation; all trends and events are analysed from this perspective.

Armenia's trajectory towards independence and national statehood stands apart from that of many other post-Soviet states due to the Nagorny Karabakh conflict (Iskandaryan 2005: 69). True, many former Soviet republics were plagued by ethnopolitical conflicts, and some of these conflicts are similar to the one over Nagorny Karabakh; some of them also culminated in wars and led to the emergence of a de facto state. However, with the possible exception of Azerbaijan, in no other post-Soviet state did the ethnopolitical conflict become the main driver of the independence movement. In most cases, it was the opposite: the secession of a former autonomy was a reaction to, not the reason for the independence movement of the parent republic. Secessionist or irredentist movements in Abkhazia, South Ossetia and on the left shore of the Dniester did not cause Georgia or Moldova to seek independence from the USSR. To the contrary, it had been the realistic prospect for the independence of the Soviet republics that caused secessionism in regions with ethnically different populations. To my knowledge, no single scholar considers the Abkhazian or South Ossetian conflicts to have caused the independence movements in Georgia, or the Transnistrian conflict to have initiated Moldova's secession from the USSR.

Many former Soviet republics became independent either because they struggled to be free of Moscow – this was the case of the Baltic States, Ukraine, Moldova and Georgia – or because they were granted independence once the USSR disintegrated: this happened in Central Asia and Belarus. Armenia's – and arguably also Azerbaijan's – independence move-ment was triggered and driven by the Nagorny Karabakh conflict, that is a movement for the self-determination of ethnic Armenians living on the territory of the neighbouring republic, Azerbaijan (de Waal 2003: 10). Technically, the conflict was external for Armenia, but its perceived importance for Armenians in the USSR and even worldwide made it the cornerstone of modern Armenian statehood.

The conflict started as early as February 1988, when Armenians in the Nagorno-Karabakh Autonomous *Oblast*[1] (NKAO) held mass protests demanding that their *oblast'* be transferred from Soviet Azerbaijan to Soviet Armenia. These protests were almost immediately followed by mass rallies in Armenia that became the first large-scale long-term public protests in the late USSR.[2] The protests lasted until their leaders achieved power in Armenia and the USSR fell apart. Since it was an irredentist movement, not an anti-imperialist one, that caused the first revolution in Armenia, its drive was not against communist ideology or Moscow's imperialism, like in neighbouring Georgia, but for ethnic liberation and unification.

Under the pressure of several days of round-the-clock rallies, the Soviet of People's Deputies – the legislative body of the NKAO – held a snap session late in the evening on Saturday, 20 February 1988. It adopted an address to the Supreme Soviets of the Republics of Armenia and Azerbaijan, and of the USSR, asking them to consider in a positive light the issue of handing the NKAO over to Armenia. This chapter cannot dwell in detail on the history of the conflict (see Chapter 15); it is, however, important to mention that in Armenia, the movement supporting the cause of the Karabakh Armenians grew in a matter of days from several thousand supporters to millions rallying in the streets of Yerevan. A body that called itself the Karabakh Committee quickly formed by a self-selecting group of protest leaders, meaning that they were neither elected nor appointed, but enjoyed popular legitimacy. After some reshuffling, by May 1988 the Karabakh Committee became the centralised leadership of a mass national movement for the re-unification of Nagorny Karabakh with Armenia (Hakobyan 2011: 36). Most members of the committee were liberal intellectuals from Yerevan, chiefly scholars, representing a generation that formed during the 1960s post-Stalin era marked by political thaw and the emergence of national movements. The committee had two informal leaders: historian and linguist Levon Ter-Petrossian and mathematician Vazgen Manukyan, later to become, respectively, the first president and first prime minister of independent Armenia.

The central Soviet authorities persecuted members of the Karabakh Committee in various ways throughout 1988 and eventually flew them to Moscow in December 1988 and jailed them. Six months later, in May 1989, when Moscow had to set them free as tensions in Armenia built up, the massively popular Karabakh Committee was slated to take over leadership in Armenia from the communist elite, or *nomenklatura*. A political party based on the Karabakh Committee, called the Pan-Armenian National Movement, won the August 1990 election to the Supreme Soviet of the Armenian Soviet Republic. The first Armenian revolution thus took place back in the USSR, at least in legal terms. Power went from the Moscow-led communists to a local group that declared adherence to a liberal-democratic worldview.

The power handover in Soviet Armenia caused a political phenomenon that is unusual for former communist countries. On the one hand, the rapid and radical elite rotation brought about the emergence of a new ruling class with a new ideology, rhetoric and management style. On the other hand, the goal of the movement that brought them to power had been irredentism, not secession from the USSR – at least formally and at least in the beginning (Iskandaryan, Mikaelian, Minasyan 2016: 40). Therefore, the leaders of the movement, and then of the Soviet republic, tried to take advantage of the capacities and resources still possessed by the former imperial centre, on which they now had leverage in the form of rallies, strikes and protests. The slogans used in the protests intentionally avoided anti-communism and anti-imperialism. Instead, they used perestroika buzzwords. Protesters

in the Nagorno-
g that their *oblast'*
tests were almost
t large-scale long-
r leaders achieved
ist movement, not
its drive was not
uring Georgia, but

et of People's Dep-
e evening on Satur-
of the Republics of
a positive light the
ell in detail on the
ion that in Armenia,
in a matter of days
erevan. A body that
ng group of protest
yed popular legitim-
came the centralised
orny Karabakh with
e liberal intellectuals
iring the 1960s post-
ments. The commit-
n and mathematician
irst prime minister of

Committee in various
nber 1988 and jailed
m free as tensions in
1 to take over leader-
al party based on the
von the August 1990
irst Armenian revolu-
ower went from the
a liberal-democratic

nenon that is unusual
radical elite rotation
gy, rhetoric and man-
ought them to power
lly and at least in the
e leaders of the move-
apacities and resources
1 leverage in the form
itionally avoided anti-
buzzwords. Protesters

carried banners that read 'Lenin, Party, Gorbachev' or 'To Perestroika, Democratisation and Glasnost' (Melik-Shakhnazarov 2009: 333). It is unlikely that any of the new leaders were sincere supporters of perestroika; rather, they were making use of the moment, trying to convince Moscow that their demands were in line with its newly adopted values.

Arguably, this was a lost cause, because regardless of any slogans, grassroots demands to revise administrative divisions went against everything the communist system stood for, perestroika notwithstanding. The attempt to manipulate Moscow was doomed. However, the protests of 1988 engendered a political culture that would play a key role in Armenia's future development. The *goal* of the movement was the unification of Armenian-populated territories within one administrative division, that is a goal typical for the modern era in European politics, when nation-states emerge as empires disintegrate. However, the *methods* used at that stage were ones typical for civic movements: rallies, petitions, strikes, media activities and other tools normal in democracies but unheard-of in the USSR (McFaul 2005: 5–19). This large-scale, peaceful and in many ways successful experience (Moscow did not agree to the demands but had to hand over power and take a step back) created Armenia's distinct political culture. Even before formal independence from the USSR, Armenians learned to put pressure on authorities by means of peaceful rallies on a mass scale; they also learned that expressing political and social discontent, that is via the media, can make a difference. This would define the pitfalls as well as breakthroughs in Armenia's political life for decades to come.

Once it was clear Moscow was not buying the Armenian slogans, Armenia began fighting for independence from Moscow. Therefore, at least for a while, the independence struggle served as another method for achieving irredentist goals. This does not imply there was altogether no drive toward independence; dissidents advocating independence from the USSR had been active in Armenia since the 1960s. One underground political group even called itself a political party (the National United Party) but none of those groups were mainstream (Heifets 1985). Moreover, even at the stage of secession from Moscow, it was Baku that Armenia perceived as its antagonist. Armenia blamed Moscow for supporting Baku's efforts to prevent the self-determination of Armenians in Nagorny Karabakh. The Baltic states and Georgia, and to some extent Ukraine and Moldova, perceived Moscow as their principal opponent in their fight for freedom. In Armenia and Azerbaijan, the territorial dispute became the main trigger of anti-Soviet mobilisation. The countries' trajectories towards independence may well have affected their relationships with Russia over the next decades, given that Russia was the legal and psychological successor of the USSR.

The war and the era of the combatants

The fact that Armenia's independence was born from its irredentist movement had another major consequence. As the USSR grew weaker, its central authorities lost their monopoly on violence, and the confrontation in Nagorny Karabakh escalated to an armed conflict and then, by autumn 1991, to a full-scale war. Village militias evolved into an army, establishing procedures for procurement, recruitment, armament, financing and command. As the army became centralised, proto-state structures also emerged in Nagorny Karabakh, with warfare dictating the need for military and civic administration. While there is no room here to describe the emergence of the de facto Nagorno-Karabakh Republic (Minasyan 2010), one must point out that this process affected Armenia in many ways. Although eventually the entire male population of Nagorny Karabakh fought in the war, the number of volunteers who came from Armenia was still significant. Moreover, some ethnic Armenians, including

191

professional military, came to the war from other Soviet republics, i.e. Georgia and Russia (there are no statistics; my estimate is that they numbered in the hundreds). An estimated several dozen combatants came from the 'classical' diaspora, i.e. from outside the former USSR. The most enterprising combatants with the best leadership skills self-co-opted to command the local militias, gradually establishing a hierarchy of command. Once the war ended in 1994, the combatants formed a veteran corporation, with a strong network built on shared experiences and close personal ties (Iskandaryan 2013).

A key change in the history of independent Armenia took place when the veterans began replacing the first generation of the revolutionary elite in positions of power. Such takeovers often happen after wars; the military play significant roles in politics in many developing countries from Turkey to Latin America. However, most of the time those are members of a military caste that maintains the loyalty of its members by a variety of means including an above-average living standard and an array of career opportunities. In Armenia, given its poverty and lack of a stable economic system, the state could not afford to pay the military high salaries or otherwise compensate the veterans for their services to the country. Some of the veterans aspired to becoming career military, some did not, but many had economic and political aspirations. Lacking the wherewithal to provide for an elite military caste, the government started offering the most ambitious veterans economic privileges (Mikaelian 2016). The veterans got the best cuts during the privatisation of formerly Soviet infrastructure; later on, they used their personal ties to public administration to avoid taxation, bypass rules and regulations, and access business opportunities. The post-war elites thus took over the bulk of the economic power. Of course, most veterans were not involved in this process: dozens of thousands fought in the war and only hundreds took part in the post-war distribution of resources. Many of the beneficiaries were not rank and file soldiers but had held commanding or managerial positions during the war. Some of the previous elite generation, the intellectual revolutionaries, also survived in the system, chiefly as professional public servants, sometimes as business operators. However, most of the new class of large business operators came from the veteran corporation.

The change happened against the background of an economic catastrophe followed by political tensions. The war in Nagorny Karabakh, the blockade of Armenia's communications on the part of Azerbaijan and also Turkey, the energy crisis following the collapse of the USSR, the severing of economic ties with other Soviet republics – all this caused Armenia's Soviet economy to collapse. Soviet Armenia mostly worked for the USSR's military industry: it had factories and research facilities that died overnight when the empire disintegrated. Mass unemployment led to mass emigration (Iskandaryan 2003: 6). Armenia lost up to a third of its population. Emigration became a key concern, an important argument in the political discourse, where it was interpreted as the result of bad policies, and one of the key accusations against the regime.

Leaders of the revolution lost popularity by 1992–93; for the next quarter century, the Armenian political elite was unpopular and had low domestic legitimacy (Iskandaryan, Mikaelian, Minasyan 2010: 48). The first election after the revolutionary landslide of 1991 took place in 1996. Incumbent president Ter-Petrossian was proclaimed the winner in the first round with 51.3 per cent of the votes. The runner-up, also a revolutionary leader, former prime minister Vazgen Manukyan refused to recognise his defeat and claimed fraud (it is hard to prove now but it may have been the case). Mass protests began in Yerevan, gathering over a hundred thousand. Breaking down the gates, the protesters entered the parliament building, causing bodily harm to the speaker and vice-speaker of parliament. The police could not handle the situation, so the army was moved into the city, rallies were dispersed and banned.

This event defined several trends in Armenian politics for the next decades. Non-recognition of election results by the defeated party became a rule at all elections up to 2017; the re-elections of incumbent rulers for a second term were especially problematic (and an attempt for a third term went south). Manipulations of elections by the ruling party became more sophisticated over time.[3] At the start, there was ballot-stuffing, violations during the vote count in the precincts and during tabulation, including, possibly, by the central electoral commission. There was also biased and unequal media coverage. Gradually, as international observation missions registered the violations and made damning statements, open fraud almost disappeared, replaced with vote-buying on a large scale and in great variety: directly bribing voters, mobilising staff of enterprises, bullying public servants, handing out gifts and providing services to communities, such as paving roads. At any rate, the administrative resource was the main tool for winning elections in Armenia, leading to low legitimacy of all governments and presidents.

The takeover of power by the veterans was already apparent at the start of Ter-Petrossian's second term in office. Some scholars, especially from the West, refer to the post-war leadership of Armenia as 'the Karabakh clan', a definition with which I disagree. Compared to the Yerevan-bred intellectuals who led Armenia since 1990, the veterans were a more diverse group in terms of social and geographical background (Iskandaryan 2013: 451). The veteran corporation was not bound together by familial ties, as a genuine clan would be, and was not limited to a particular region. Many veterans did come from Karabakh, but this was not the principle on which the corporation was built. Many prominent members of the veteran community came from various parts of Armenia. Once the veterans established a formal body, the *Yerkrapah* (Armenian for 'defender of the land') veteran union, it was headed by Vazgen Sargsyan, Armenia's post-war defence minister who grew up in Ararat, a town not far from Yerevan.

Given the diversity of the new owners of the land, they began setting up a system that can be loosely defined as *consensual clientelism*, i.e. a patrimonial system, but one that is not led by a singular leader. At the top, it has a group of players representing a variety of interests, including those of senior public officials, business operators, veterans and senior military, and regional elites, with Nagorny Karabakh as a separate and special group. The various corporations overlap, e.g. many public officials in this scheme are also major business operators, and so are many veterans. The resulting system is sustainable in the sense that the bodies and the players survived all kinds of political change and trouble, including a group murder of political leaders. Presidents did play important roles in the power pyramid but they did not have autocratic control. At most, presidents have been able to constrain players that worked against them, but not to exclude them (Iskandaryan 2012: 19–28). The consensual system was consolidated during Robert Kocharyan's rule but its foundations were laid by Ter-Petrossian in the post-war years when his government began handing out cuts to the veterans. It was also this system that led to Ter-Petrossian's demise, in which the ousting of intellectuals and their replacement with veterans culminated in 1998 (Hale 2015: 228). In what amounted to a 'velvet coup d'état', Ter-Petrossian had to step down after publishing a plan to resolve the Nagorny Karabakh conflict by means of a compromise involving the return of some lands to Azerbaijan. The plan was unacceptable to the veterans, and Ter-Petrossian was forced to resign by a triumvirate composed of war veterans with whom Ter-Petrossian had surrounded himself: Robert Kocharyan, prime minister and one of the war-time leaders of Nagorny Karabakh; Vazgen Sargsyan, defence minister and head of the *Yerkrapah* veteran union; and Serzh Sargsyan,[4] minister of interior and national security, and a war-time leader of Nagorny Karabakh alongside Kocharyan. The handover to the

veterans was complete as Robert Kocharyan was elected Armenia's second president in a snap election in early 1998; mid- and lower-level officials remained in their seats but all senior officials in the administration were replaced.

Obviously, consensual clientelism had an array of economic and political consequences. In view of the poverty and poor development of the economy, politics became the platform on which key players distributed economic power, settled conflicts, divided markets and awarded privileges. Businesses that were large by Armenian standards needed to be close to the political elite or be part of it. The resulting merger between politics and economics has been a major constraint to Armenia's development ever since. An inverted pyramid of corruption was built: the larger one's business, the closer one needed to be to the political players and more involved in the informal relations (Mikaelian 2016). Starting in the late 1990s, Armenia became quite dissimilar to most post-Soviet states, especially ones living off natural resources, in which political and economic power was distributed chiefly amongst old Soviet elite, Communist Party leaders, 'red directors' (heads of Soviet factories) and Komsomol (communist youth) leaders (Gel'man 2015: 44–50; see Chapter 26). In Armenia, the collapse of the Soviet economy and of the communist elites led to the emergence of a completely new system. On the ruins of its rather well-developed Soviet military industry, with many research facilities, which died overnight once the USSR disintegrated and the Karabakh war began, Armenia built a typical 'Third World' economy relying on services, trade, tourism and mining. The communist ideology, or what was left of it, was replaced with an ideology of national consolidation and survival in the face of an ethnopolitical conflict.

Although the competition for business opportunities in the new economy has been anything but fair, and its rules have been corrupt and pliable, the new system also enabled Armenia to deal with some major challenges. First, the army remained under sufficient political control and did not become an independent player, which may have happened had the veteran elite continued to serve in the military. Second, the new system contributed to decentralising public administration because economic and political power was now in the hands of a corporation, not a person. The president was a significant figure in decision-making, but overall, political power became a function of a consensus amongst the elites (Iskandryan et al. 2016: 67–74). In a tough competition, the new players had to reach compromises for politics to work, and this contributed to the plurality of the system. Armenia started building its own peculiar type of *decentralised neo-patrimonialism*. In such a system, ruling elites privatise many public functions and state institutions, but remain decentralised and compete against each other.

Eighteen months into Robert Kocharyan's first term as president, in October 1999, a shooting took place at the Armenian parliament. During a session, an armed group entered the session hall and opened fire, killing seven people; one more died of a heart attack; everyone else was taken hostage. Following brief negotiations, the shooters were arrested without further harm to the hostages but the damage had been done: Armenia lost its top leadership with the exception of the president. Among the dead were Prime Minister Vazgen Sargsyan, the speaker of parliament, two vice-speakers, one minister and two MPs. In the ensuing chaos, there were widespread rumours that President Kocharyan himself had organised the attack in order to concentrate power in his own hands. For weeks or even months, Kocharyan was almost openly blamed for the deaths; however, he was eventually able to consolidate power and remain in office. To the surprise of many, Armenia's newly set up and precariously balanced political system was sufficiently stable to survive such a terrible blow. It was profoundly shaken but did not collapse and remained manageable.

Crony capitalism

Roughly at the same time, at the turn of the twenty-first century, business oligarchs started taking over in Armenia and the entire post-Soviet space. In Armenia, the term 'oligarch' is used for any business operator whose capital is large by Armenian standards (and not necessarily obtained through privatisation), and who has formal or informal ties to politics that they use to promote their business interests. Since Armenia has modest natural resources, becoming an oligarch in Armenia does not involve getting a share of oil or gas incomes, like it does in Russia or Kazakhstan. Armenian businesses have to make their own money in production, trade or services. However, the allocation of licenses, quotas, tenders, privileges, tax exemptions and so on does not happen in transparent ways based on the law and fair competition. Instead, there is a variety of corrupt practices typical of *crony capitalism*, including grey budgets, preferential taxation and so on. In many ways, the businesses of Armenian oligarchs work like the South Korean *chaebols*: enterprises operating in various spheres of the economy that are managed by one person or family who has informal ties to the political elite, or is a member of this elite. In Armenia, this reached to the top: many members of the government and parliament were oligarchs or at least major business operators. Crony capitalism brought about the monopolisation of some segments of the economy. For example, only a select number of companies had permission to engage in imports of key goods ranging from gasoline to sugar, exotic fruits to electronics. Other companies who tried to import similar goods faced problems with the customs authorities, with the tax service or other regulators. Small businesses could survive without intimate relations with politicians, but the larger the enterprise, the more the need for political engagement. The merger of politics and economics consolidated at this stage.

Most of the major businesspeople were veterans at first but the criterion for involvement in business changed over time. The ability to engage in business became more important than ties to the veteran associations. The change was gradual; being both a veteran *and* good at business was arguably the best combination for success. Also important was the fact that the war was over, the army was under strong political control, and most veteran leaders had become businessmen, not military. Consequently, the veterans as a corporation lacked procedures for recruiting new members, so that their decline was a matter of time. *Yerkrapah* soon began losing its influence. In this economic and political competition, more and more veterans parted ways and started competing against one another. Moreover, as business merged with politics, oligarchs became aware of the need to connect to the public. They began buying or creating news media: print media at first, then TV stations, and eventually online media. The media became the first open platform for political competition (Hale 2015: 354–63). In terms of media development, the result was that despite restrictions on media freedom and independence, Armenia's media landscape became pluralistic, reflecting competition amongst the patrons of the media.

Engagement of the oligarchs in public politics began in the media but was soon followed by party politics. Armenia's biggest player in this field was its ruling party, the Republican Party of Armenia (RPA). Founded in Soviet times by one of Armenia's leading anti-Soviet dissidents Ashot Navasardyan, it was overhauled by Robert Kocharyan who turned it into the country's biggest non-ideological clientele, known in the post-communist world as a *party of power*: a typical ruling party in a *one-and-a-half party system* (Levitsky and Way 2010: 183–235). It preserved some dissident-era legacy symbols and narratives, but in fact lost all ideological focus and became a trade union bringing together public officials and affiliated businesspeople, and offering career opportunities to ambitious young people

195

unburdened by value systems. The RPA became the ruling party in 1999 and kept evolving; towards the end of Kocharyan's second term in office, it was the main structure on which the power pyramid relied.

Already in 2004, Gagik Tsarukyan, whom many consider to be the wealthiest business-man in Armenia, founded the Prosperous Armenia political party. Reportedly, the then-president Kocharyan supported this move, hoping to use the new party for political leverage once his second term in office was over in 2008. Prosperous Armenia was set up as a right-wing conservative party but in reality, it had always been a non-ideological clientele, serving to convert financial resources into public political capital. A variety of smaller clienteles also became active on the political party scene.

Meanwhile, the ruling RPA continued consolidating its power. It became the main plat-form for competition at the senior level. In 2006, Serzh Sargsyan, a member of the trium-virate that took down the first president, a war veteran and political old-timer, was elected chairman of the RPA. When the then-prime minister Andranik Margaryan died of a heart attack in 2007, Serzh Sargsyan took over as prime minister. He was now slated to be the next president, and, despite reported disagreements, Robert Kocharyan supported Sargsyan's candidacy just in order that the system could continue to operate smoothly. The rest was technical: regardless of which body stood against it, the RPA was able to organise an elect-oral victory using its superior financial and administrative resources.

Decline and fall

However, ahead of the February 2008 election, a problem arose from outside the political system. Armenia's first president Levon Ter-Petrossian made a dramatic comeback after a decade of absence. Following his resignation in 1998, Ter-Petrossian resumed his activities as a scholar, published several volumes on history, lived a private life and did not even attend social events. His reappearance in the media in autumn 2007 made a big impression. In contrast to the clandestine negotiations and cartel agreements of the RPA, Ter-Petrossian worked from the toolbox of a public politician. In his impressive campaign speeches, he criticised the entire establishment, hurling well-founded accusations at Kocharyan and Sargs-yan for having set up a corrupt governance system. His main argument was that replacing one with the other would make no difference: the system would remain. An outstanding public speaker and experienced campaigner, Ter-Petrossian mobilised supporters country-wide; his appeal was to the populace, not to the elites.

His success was inevitable. The terrible economic decline that had followed the disinte-gration of the USSR was by no means compensated by rapid economic recovery in the early 2000s – not in figures,[5] and even less in public perceptions. Since post-Soviet under-standings of politics are personalised, it did not matter whether or how decline and growth were connected to historical events: the disintegration of the empire, the war in Nagorny Karabakh, the economic blockade on the part of Azerbaijan and Turkey, or the favourable global economic environment on the eve of the 2008 global recession (Iskandaryan 2010). It did not even matter that the decline took place during Ter-Petrossian's own period of rule and subsequent growth during Kocharyan's. What mattered – and what still largely defines public perceptions of domestic politics in Armenia – is the huge disproportion between expected and actual living standards in Armenia, leading to a feeling of deprivation. Against this background, given the unfairness and inequality at the root of Armenia's clien-telist governance, a talented orator can gather a wide public protest.

196

and kept evolving;
structure on which

wealthiest business-
portedly, the then-
or political leverage
as set up as a right-
al clientele, serving
naller clienteles also

came the main plat-
mber of the trium-
d-timer, was elected
ryan died of a heart
ow slated to be the
supported Sargsyan's
oothly. The rest was
to organise an elect-

outside the political
natic comeback after
resumed his activities
fe and did not even
ade a big impression.
RPA, Ter-Petrossian
ampaign speeches, he
Kocharyan and Sargs-
ent was that replacing
main. An outstanding
d supporters country-

followed the disinte-
nomic recovery in the
ce post-Soviet under-
w decline and growth
, the war in Nagorny
rkey, or the favourable
on (Iskandaryan 2010).
ossian's own period of
and what still largely
he huge disproportion
a feeling of deprivation.
oot of Armenia's clien-

Trust in the political system was low; discontent was countrywide and needed a channel to be publicly expressed. On 19 February 2008, Serzh Sargsyan was proclaimed the winner of the election with 52 per cent of the poll in the first round against 21 per cent cast for Ter-Petrossian. Ter-Petrossian's supporters claimed fraud and hit the streets; mass rallies gathering dozens of thousands lasted ten days. In the morning of 1 March, the police dispersed the protest using electroshock batons but the protesters gathered again in Yerevan's city centre and began building barricades; by afternoon, they numbered over 100,000 (Human Rights Watch 2009). Parliament approved a presidential decree proclaiming an emergency situation and banning all protest activity. Police and army forces made another attempt at dispersing the crowds during the night, in which eight civilians and two police officers died. To avoid further bloodshed, Ter-Petrossian told his supporters to disperse. Hundreds were arrested.

On 9 April, Serzh Sargsyan was inaugurated president of a polarised and traumatised nation. He was off to a bad start, as 2008 marked the onset of global recession that hit Armenia's economy hard after almost a decade of accelerating growth. A sharp decline was followed by years of stagnation. The investments of the early 2000s stopped in 2008. This was accompanied by a drop of prices for metals, which are amongst Armenia's key exports and suspension of most construction projects that accounted for a large share of GDP growth. Private transfers from labour migrants abroad, especially in Russia, also went down. Poverty rates spiralled, as did emigration. Political apathy, disappointment and mistrust in public institutions continued to mount.

Against the background of rejection by society, the power pyramid remained stable. The ruling elite had no competitors within the establishment strong enough to challenge it, and did not view players outside the establishment as a serious challenge. The parliament had an almost perfect one-and-a-half party system: one political force had the capacity to make all the decisions, whereas the rest could participate in elections and win seats in the parliament but could not affect decision-making and had no chances to take over the reins of power (Carothers 2002). Competitive authoritarianism survived as long as the administrative machine was consolidated, the business elites preferred playing by the informal rules to fighting the system, and opposition forces lacked the finances and administrative capacities needed to challenge the ruling elite. Opposition activity did not take place in the political structures but in the media and civil society, which became politicised to an extent that prevented them from functioning as intended, because that requires being neutral and independent from politics (Zolyan 2011).

There were a few attempts at competition within the establishment, albeit unsuccessful. The Prosperous Armenia party, the second largest of the clienteles to operate in public politics, won around a third of the poll in the 2012 parliamentary election; its leader Gagik Tsarukyan aspired to a greater role in politics and expressed intentions to run for president. By 2015, the competition between him and President Sargsyan became tense, involving mutual verbal abuse, but by the end of the year, Tsarukyan clearly lost the clandestine fight, stepped down as head of his party and announced his retirement from politics. There was a similar episode involving Hovik Abrahamyan, speaker of the parliament, who resigned in 2016 after telling the public that he wanted to let the president form a new government.

Attempts by individuals to climb the power pyramid only served to consolidate it. The RPA won 69 seats out of 131 in the 2012 parliamentary election; Serzh Sargsyan got almost 59 per cent of the votes in the 2013 presidential poll. In 2015, the RPA organised a constitutional referendum on transition to a parliamentary system of governance. This was a move to solidify the system. By that time, the RPA apparently believed it would be able to rule endlessly by preventing an opposition from forming and securing votes by non-

ideological methods. The parliamentary reform was an opportunity to de-personify elections: there would be no need to organise and manipulate national elections of unpopular individuals. In a poorly formed political party system, the power centre would simply move into the office of the RPA, and appointing presidents would become a purely technical exercise. The plan appeared sound, and the referendum on 6 December 2015 went smoothly; according to official data, 66 per cent of the ballots were cast in favour of the reform, and the turnout of over 50 per cent was well above the minimum required 25 per cent. As always, the opposition claimed mass fraud and organised protests, which were, as usual, insufficient to make a difference (BBC News 2015)

Everything seemed to be going smoothly as a new parliament was elected in April 2017. As usual, the RPA won the majority; together with their satellites, they had a constitutional majority, and the only opposition force, the Way Out alliance, barely made it across the 7 per cent threshold. The alliance was composed of three parties that decided to join forces, obviously, because none of them would get the 5 per cent minimum for parties. After the election, for the first time since the early 1990s, all players including the opposition recognised the results of the election, and also for the first time, there was little or no rallying. The calculation that the parliamentary system would be more convenient for perpetuating RPA power seemed to have been correct. Newly elected MPs from the Way Out alliance, including future revolution leader Nikol Pashinyan, picked up their mandates and started attending parliament sessions, thereby attesting to the legitimacy of the new parliament and helping the regime create the international image of Armenia as a country taking steps towards democracy approved by the Venice Commission.

However, the gap between this image and the low domestic legitimacy of the entire political system, including the ruling elite and the opposition, made the regime vulnerable. Serzh Sargsyan created an ideal trigger by breaking his promise not to run for office again. Made in 2014 ahead of the constitutional reform, this promise implied he would not use the reform to remain in power for a third term. However, with things going smoothly in the referendum and especially the election, Sargsyan broke his promise and announced plans to run for prime minister. This meant staying for a third term, because in the parliamentary system, it is the prime minister who is head of state.

While the constitutional reform had been an attempt to de-personify politics, Sargsyan's running for office resulted in total personification of everything the populace hated about the ruling elite. A revolution initiated by opposition MP Nikol Pashinyan under the slogan, 'Take a step, reject Serzh' took just over three weeks to complete (Stronski 2018). The first protests began in Armenia's second city, Gyumri, on 31 March, followed by a two-week march to the capital. On 13 April, rapidly spreading large-scale protests began in Yerevan. On 17 April 2018, in a country engulfed by mass rallies, the RPA majority in the new parliament elected Serzh Sargsyan prime minister, following in the footsteps of the ruling parties of several post-Soviet states that manipulated legal norms in order to avoid letting go of power. Just six days later, on 23 April, the scope of the protests was such that Sargsyan was left with the options to begin a bloodbath or to resign; he resigned (Iskandaryan 2018: 465).

Back to square one

Just as ten years previously, the regime was challenged from outside the establishment, albeit successfully this time. Arguably, it is the weakness of the party system, combined with a relatively mild regime, that makes this type of revolution possible: all post-Soviet countries

e-personify elections:
if unpopular individ-
ld simply move into
ly technical exercise.
015 went smoothly;
ur of the reform, and
ired 25 per cent. As
hich were, as usual,

elected in April 2017.
y had a constitutional
ly made it across the
lecided to join forces,
i for parties. After the
the opposition recog-
s little or no rallying.
nient for perpetuating
the Way Out alliance,
mandates and started
ie new parliament and
i country taking steps

nacy of the entire pol-
the regime vulnerable.
to run for office again.
lied he would not use
ings going smoothly in
se and announced plans
ise in the parliamentary

ersonify politics, Sargs-
ing the populace hated
Nikol Pashinyan under
s to complete (Stronski
on 31 March, followed
ling large-scale protests
mass rallies, the RPA
nister, following in the
iipulated legal norms in
April, the scope of the
egin a bloodbath or to

e the establishment, albeit
system, combined with
: all post-Soviet countries

with regimes that were not too harsh had one or even several (Beissinger 2007). If we exclude the Baltic states that are already European Union (EU) and NATO members, all the five mild regimes (Ukraine, Moldova, Georgia, Kyrgyzstan and Armenia) had revolutions (Ó Beacháin and Polese 2010), but none of the seven harsh ones did – their leaders stay for decades and change almost exclusively for medical reasons. Armenia's revolution was special in some ways; for example, Armenia's new authorities insist that it be called 'velvet', not 'colour' like in Georgia. They want to stress that in Georgia and Ukraine, the focus of the revolution had been on foreign policy orientations (that is geopolitical competition between the EU and Russia), whereas in Armenia the agenda was domestic: fighting corruption and monopolisation, reducing inequality and the power of oligarchs (Markedonov 2018b).

The reasons for the difference are that Armenia is plagued by the Nagorny Karabakh conflict and needs to maintain close and positive relations with Russia as its main security provider. The EU is not an alternative since it derives its own security from the North Atlantic Treaty Organization (NATO), and neither is NATO, because Turkey, a country that supports Azerbaijan in the Nagorny Karabakh conflict, is a NATO member. There are no alternatives to Russia in the sphere of hard security, and therefore Armenia cannot change its geopolitical orientation in the foreseeable future. While making their geopolitical U-turns, Georgia and Ukraine lost territories and risked their very statehood. Given the conflict, Armenia cannot afford to take such risks (Iskandaryan 2019). However, it needs reforms, development, public administration models and investments, all of which can be found in the EU and not in Russia. This dictates Armenia's cooperation with European institutions and its foreign policy doctrine, known as *complementarity*, which consists in an effort to combine and conjugate the interests of the East and the West rather than become a battlefield. As a result of such a policy, Armenia can be frowned upon in Europe due to its pro-Russian bent and disapproved of by Russia due to its excessive pro-Western policies. Armenia's complementarity has been in place with few changes under all four of its post-Soviet leaders including Nikol Pashinyan, who has already proclaimed that Armenia's course is aimed at perfecting its relations with Russia and the EU alike. He has repeatedly said that he does not view modernisation as a foreign policy orientation.

Conclusion

In just over thirty years, the still-newly independent Republic of Armenia has evolved a hybrid regime. While falling short of a properly institutionalised democracy, it is quite unlike the authoritarian regimes of some other former Soviet republics. Armenia's political system can be categorised as neo-patrimonial, except that, unlike similar systems, it is not fully centralised, but rather, led by an elite consensus. Over the years, Armenia's society has been trying to uproot its neo-patrimonial system in favour of a more inclusive model. However, it appears that the system is rooted in the political culture of post-Soviet Armenia and therefore keeps reproducing itself.

In some aspects, it is too soon to make conclusions about Armenia's new regime. As of this writing, a year has elapsed since the 'Velvet Revolution' and several months since the handover of power was finalised. Following Serzh Sargsyan's resignation, the leaders of the revolution adopted a legalistic strategy (Vartanyan 2018: 3–4). The parliament was disbanded fully in accordance with the law; this was not an easy feat because the majority in the previous parliament belonged to the RPA, which had to be pressurised into cooperating. A snap election was held in December 2018, after which the parliament appointed the prime minister and the government. Pashinyan's alliance, My Step, has a constitutional majority in the parliament. As a result, the new parliament has the same structural problem as the old one:

the one-and-a-half party system has remained in place, with one party holding over two thirds of the seats, and no opposition to speak of, because both opposition parties in the new parliament had supported the revolution. The RPA missed the threshold by just 0.3 per cent; with the state administration no longer backing it, it is no longer a strong political power. However, neither is the new ruling party, because a political party cannot be built in a matter of months. Over two-thirds of the new MPs are newcomers. The new elites still need to find mechanisms for consolidation; the RPA had a clientele and financial incentives that cannot operate under the new conditions. Ideological tools will not work either, because the new elites were hastily co-opted into power after the revolution, and are a motley crowd united by opposition to the old regime, which is a wide net in Armenia, and their positive programmes are being elaborated ad hoc (Markedonov 2018a).

So far, the popularity of the new elites helps them deal with the ongoing issues, but popularity is a limited resource; it is already going down, as it must. Meanwhile, all of Armenia's problems are long-term ones requiring systematic long-term coordinated efforts of various bodies. To name a few, these are poverty, poorly developed infrastructure, shortage of investments, small market capacity, territorial isolation and poor access to other markets, the presence of an armed conflict causing huge security spending, a monopolised economy, a merger of politics and economics, and so on. There are no quick solutions for any of these problems, whereas public expectations are high, and disappointment is around the corner.

The new authorities are popular and legitimate; the election, for the first time in decades, was not marred by fraud, bribery, vote-buying or organised voting. People made their own choice. However, they chose Pashinyan and the revolution, not a party or an ideology or even a team. As a result, the new parliament is probably the most unknown in Armenia's history. People gave their trust to the leader of a party that will have to be built from scratch over the years; the voters, meanwhile, are hoping for quick improvements. Voters are not aware that the genetic illnesses of hybrid regimes cannot be cured overnight. Armenia is still struggling to institutionalise political mechanisms. The toolbox of direct democracy used during the revolution cannot be applied on a daily basis. With the exception of the short-lived First Republic of Armenia in 1918–1920, Armenia has not been an independent state since the fourteenth century, and still needs to learn how to build a political system.

Notes

1 An autonomous *oblast'* is one of four Soviet administrative divisions with some level of autonomy. Listed in the order of decreasing autonomy, these are: union republic, autonomous republic, autonomous *oblast'* and autonomous *okrug*.
2 An earlier mass protest took place in Kazakhstan in December 1986, but it only lasted several days and, as far as one can judge, involved fewer people.
3 See, for example, the *Nations in Transit* reports by Freedom House at <https://freedomhouse.org/report-types/nations-transit>
4 Sargsyan is the most common Armenian surname; the various Sargsyans in Armenian governments are not relatives.
5 Armenia's GDP in PPP only recovered to mid-1980s level by 2018 but the Gini index is now higher.

References

BBC News. (2015) Armenia fraud claims mar referendum on constitution. 7 December. Available at <www.bbc.com/news/world-europe-35025853> (accessed 22 June 2019).
Bessinger, M. R. (2007) Structure and Examples in Modular Political Phenomena: The Diffusion of Bulldozer/Rose/Orange/Tulip Revolutions. *Perspectives on Politics*, 5 (2): 259–276.

holding over two
tion parties in the
threshold by just
onger a strong pol-
cal party cannot be
wcomers. The new
entele and financial
ools will not work
revolution, and are
ide net in Armenia,
2018a).

ing issues, but popu-
nile, all of Armenia's
ed efforts of various
e, shortage of invest-
er markets, the pres-
d economy, a merger
ny of these problems,
orner.

first time in decades,
ople made their own
rty or an ideology or
nknown in Armenia's
be built from scratch
ments. Voters are not
might. Armenia is still
lirect democracy used
xception of the short-
n an independent state
itical system.

some level of autonomy.
c, autonomous republic,

it only lasted several days

https://freedomhouse.org/

in Armenian governments

Gini index is now higher.

7 December. Available at
).
nomena: The Diffusion of
259–276.

Carothers, T. (2002) The End Of The Transition Paradigm. *Journal of Democracy*, 13 (1): 5–21. Available at <https://pdfs.semanticscholar.org/bc5d/1913634a47296da572a93b37bb0b288399b1.pdf> (accessed 22 June 2019).

de Waal, T. (2003) *Black Garden. Armenia and Azerbaijan Through Peace and War*. New York: New York University Press.

Gel'man, V. (2015) *Authoritarian Russia: Analyzing Post-Soviet Regime Changes*. Pittsburgh, PA: Pittsburgh University Press.

Hakobyan, T. (2011) *Green and Black: Karabakh Diary* (*Kanach u sev: artsakhyan oragir*, in Armenian). Yerevan: Antares.

Hale, H. E. (2015) *Patronal Politics: Eurasian Regime Dynamics in Comparative Perspective*. New York: Cambridge University Press.

Heifets, M. (1985) *The Secretary Taken Prisoner. The Story of Paruir Airikian* ('Voennoplennyi Sekretar'. Povest' O Paruire Airikiane', in Russian). London: Overseas Publications Interchange Ltd. Available online at <https://vtoraya-literatura.com/pdf/heifetz_voennoplenny_sekretar_povest_o_paruire_airi kiane_1985__ocr.pdf> (accessed 23 June 2019).

Human Rights Watch. (2009) *Democracy on Rocky Ground: Armenia's Disputed 2008 Presidential Election, Post-Elections Violence, and the One-Sided Pursuit of Accountability*. New York: Human Rights Watch.

Iskandaryan, A. (2003) Migration Processes in the Post-Soviet Caucasus ('Migratsionnye protsessy na postsovetskom Kavkaze', in Russian). In Iskandaryan, A., ed., *Migrations in the Caucasus* (*Migratsii na Kavkaze*, in Russian). Yerevan: Caucasus Media Institute, 6–19.

Iskandaryan, A. (2005) Armenia's Choice ('Vybor Armenii', in Russian). In Iskandaryan, A., ed., *Diaspora, Oil and Roses: What Makes the Countries of the South Caucasus Tick* (*Diaspora, neft i rozy: chem zhyvut strany Yuzhnogo Kavkaza*, in Russian). Yerevan: Heinrich Boell Foundation and Caucasus Media Institute, 69–80.

Iskandaryan, A. (2010) Sketches of the New Status Quo in the South Caucasus ('Eskizy novogo status-kvo na Yuzhnom Kavkaze,' in Russian). In Caucasus Institute, *Caucasus 2008: CI Yearbook* (*Kavkaz-2008: Ezhegodnik Instituta Kavkaza*, in Russian). Yerevan: Caucasus Institute, 101–105.

Iskandaryan, A. (2012) Armenia Between Autocracy and Polyarchy ('Armeniia mezhdu avtokratiei i poliarkhiei', in Russian). *Pro et Contra*, 3–4: 19–28.

Iskandaryan, A. (2013) Informality in Eastern Europe. In Giordano, C. and Hayoz, N., eds., *Interdisciplinary Studies on Central and Eastern Europe*, Volume 11. Bern: International Academic Publishers, 451–467.

Iskandaryan, A. (2018) The Velvet Revolution in Armenia: How to Lose Power in Two Weeks. *Demokratizatsiya: The Journal of Post-Soviet Democratization*, Armenia's Velvet Revolution: A Special Issue. 26 (4): 465–482.

Iskandaryan, A. (2019) Armenia–Russia Relations: The Revolution and the Map. *Russia Analytical Digest*, 232 (22): 2–5.

Iskandaryan, A., Mikaelian, H., Minasyan, S. (2016) *War, Business and Politics: Informal Networks and Formal Institutions in Armenia*. Yerevan: Caucasus Institute.

Levitsky, S. and Way, L. A. (2010) *Competitive Authoritarianism: Hybrid Regimes After the Cold War*. Cambridge: Cambridge University Press.

Markedonov, S. (2018a) Armenian Transit ('Armianskii Transit' in Russian). *Russian International Affairs Council*, 16 July. Available at <https://russiancouncil.ru/analytics-and-comments/analytics/armyans kiy-tranzit> (accessed 23 June 2019).

Markedonov, S. (2018b) *Why the Velvet revolution in Armenia was a Success* ('Pochemu v Armenii udalas barkhatnaia revolutsiia', in Russian). Carnegie Moscow Centre, 23 April. Available at <https://car negie.ru/commentary/76157> (accessed 23 June 2019).

McFaul, M. (2005) Transitions From Postcommunism. *Journal of Democracy*, 16 (3): 5–19.

Melik-Shakhnazarov, A. (2009) *Nagorno-Karabakh: Facts against Lies* (*Nagornyi Karabakh: fakty protiv lzhy*, in Russian). Moscow: Volshebnyi Fonar.

Mikaelian, H. (2016) *Shadow Economy in Armenia* (*Tenevaia Ekonomika v Armenii*, in Russian). Yerevan: Caucasus Institute.

Minasyan, S. (2010) *Nagorno-Karabakh After Two Decades of Conflict: Is Prolongation of the Status Quo Inevitable?* Yerevan: Caucasus Institute.

Ó Beacháin, D., and Polese, A. (2010) *Colour Revolutions in the Former Soviet Republics: Successes and Failures*. London and New York: Routledge.

Stronski, P. (2018) *Armenia's Democratic Triumph*. Carnegie Endowment for International Peace, 24 April. Available at <https://carnegieendowment.org/2018/04/24/armenia-s-democratic-triumph-pub-76165> (accessed 10 December 2019).

Vartanyan, O. (2018) "Velvet Revolution" Takes Armenia into the Unknown. International Crisis Group, 26 April. Available at <https://www.crisisgroup.org/europe-central-asia/caucasus/armenia/velvet-revolution-takes-armenia-unknown> (accessed 10 December 2019).

Zolyan, M. (2011) Failed Negotiations Suggest Renewed Political Confrontation in Armenia. *Central Asia-Caucasus Analyst*, 2 November. Available at <https://www.cacianalyst.org/publications/analytical-articles/item/12381-analytical-articles-caci-analyst-2011-11-2-art-12381.html> (accessed 10 December 2019).