

## NATION-BUILDING

### ARMENIA'S DOMESTIC POLICY AFTER THE VELVET REVOLUTION: SELECTED ISSUES

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#### ABSTRACT

**T**he article aims to analyze and characterize changes in Armenia's domestic policy initiated by the reform government led by Prime Minister Nikol Pashinyan. In the course of research, the emphasis was placed on the presentation of such issues as the fight against corruption, the reform of the tax system, the fight against poverty and the reform of the judiciary system. It was also extremely important to present the short-term implications of the implemented mea-

asures and to discuss the attitude of the society towards the executed reforms, as well as public support for the operations of new political forces.

In the light of the results of the research, it is clear that the activity of the post-revolutionary government has significantly changed the domestic policy vector of Armenia, bringing the country closer to meeting international democratic standards and strengthening the economic sector.

**KEYWORDS:** Armenia, Armenia's domestic policy, Nikol Pashinyan, reforms.

*Introduction*

The Velvet Revolution,<sup>1</sup> which took place in Armenia in April-May 2018, was the beginning of an integral transformation of power structures and vectors of state policy, especially in the field of domestic<sup>2</sup> policy. As a result of the total shift of power, the best example of which is afforded by the results of the December 2018 parliamentary elections, the pro-reform block My Step gained complete dominance in terms of both legislative and executive power<sup>3</sup>. This made it possible for new political forces to become active in implementing the demands made during the revolution. The author's intention is to answer the following research questions:

- Which reforms have been initiated by the Nikol Pashinyan government?
- What is the public perception of the government's actions?
- How did the reform efforts affect Armenia's policy in the short term?

Answers to these questions are essential to the analysis and characterization of the key changes in Armenia's domestic policy that were implemented after the revolution. It is important to verify the hypothesis, which stated that the pro-reform government has acted swiftly to significantly alter Armenia's domestic policy. In the course of the research, the methods and techniques specific to social sciences were used, i.e., secondary analysis of quantitative research, analysis of documents and official statements of politicians, and deduction.

The post-revolutionary government headed by Prime Minister Nikol Pashinyan has developed a program of ambitious reforms, successively implemented in Armenia, which aim to bring the country closer to meeting European requirements for democratization and transparency of the public sphere. In this context, it is worth noting the government's program adopted in February 2019. The key objective of the government's activity was to boost the competitiveness of Armenia's economy, which is technologically, industrially, environmentally friendly and export-oriented. This assumption is to be achieved through transparency in business, increasing investments, achieving the economic growth rate of at least 5%, development of tourism and intensification of exports. Among the priorities the document identifies the development of democratic institutions and the rule of law (an independent judiciary system); the fight against corruption, proper management of state finances (primarily emphasizing the importance of an effective tax system), ensuring a decent and happy life for citizens (i.e., overcoming poverty through work and education).<sup>4</sup> In view of the particular importance of these areas for state welfare, further reflection will focus on these issues.

<sup>1</sup> For more on the causes and course of the revolution in Armenia, see: A. Miarka, "Velvet Revolution in Armenia and its Influence on State Policy: Selected Aspects," *Central Asia and the Caucasus*, Vol. 20, Issue 4, 2019, pp. 41-50; A. Iskandaryan, "The Velvet Revolution in Armenia: How to Lose Power in Two Weeks," *Demokratizatsiya: The Journal of Post-Soviet Democratization*, Vol. 26, No. 4, Fall 2018; G. Minassian, "The 'Velvet Revolution' in the History of the Armenians," *Études*, December 2018.

<sup>2</sup> For more on Armenia's policy before the Velvet Revolution see: *Armenia's Foreign and Domestic Politics: Development Trends*, ed. by M. Palonkorpi, A. Iskandaryan, Yerevan, 2013; M. Zolyan, "The Poverty of Authoritarianism: What Made the Armenian Revolution Possible," in: *Protests in Armenia. The Domestic Dimension*, ed. by L. Badalyan, available at [<https://www.research-collection.ethz.ch/bitstream/handle/20.500.11850/323671/2/CAD108%281%29.pdf>]; N. Borisov, "Potentials and Limits of Political Competition: Institutional Transformations in Georgia and Armenia in the 2000S", *Central Asia and the Caucasus*, Vol. 16, Issue 3-4, 2015, pp. 17-22.

<sup>3</sup> For detailed results of the parliamentary election, see: *Sunday, 9 December, 2018 Parliamentary Elections*, Central Electoral Commission of the Republic of Armenia, available in Armenian at [<https://www.elections.am/parliamentary/>].

<sup>4</sup> See: *Decision NO 65-A of the 8 February, 2019 on the Program of the Government of the Republic of Armenia*, The Government of the Republic of Armenia, available at [<https://www.gov.am/files/docs/3562.pdf>].

## Transparency of Authorities and Business: Fighting Corruption

Since the post-revolutionary government's activity in shaping Armenia's domestic policy, the decision-making center has stressed the need to fight corruption at the highest levels of government as the prerequisite for success in implementing deep structural changes. During the Prime Minister's speech on 7 June, 2018, the importance of separating politics from business and unequivocally eliminating corruption in the public sector was stressed.<sup>5</sup> Recognizing the destructive impact of corruption on the proper functioning of the state and building trust between the authorities and citizens, the new political forces have focused their efforts on creating the core agenda for a new approach to this phenomenon, assuming a complete transformation of Armenia's anti-corruption system. It was stressed, among other things, the obligation to establish an independent body with the power to investigate and operate the necessary tools to expose corruption offences and to ensure transparency in the economic activity and assets of persons involved in public services.<sup>6</sup> The Anti-Corruption Policy Council chaired by the PM was established in June 2019 to review existing priorities in the fight against corruption and to overcome corruption. In addition, the elaboration of positions on draft policies, programs and legislation contributing to the elimination of corruption was identified as a priority<sup>7</sup>.

Work on the draft strategy intensified in December 2018 and was prepared with the participation of civil society organizations and officials to identify the main pillars of Armenia's future anti-corruption policy. The draft was posted on the website of the Ministry of Justice in the same month, but it quickly aroused numerous objections from international experts<sup>8</sup>. It is clear that this was one of the reasons to verify the content of the document<sup>9</sup>.

During the Government meeting on 3 October, 2019, during which the Anti-Corruption Strategy of Armenia and the Action Plan 2019-2022 were approved, Minister of Justice Rustam Badasyan stressed the importance of establishing an anti-corruption body, i.e., the Commission for the Prevention of Corruption and the Anti-Corruption Committee, while the system of enforcement of legal standards was undergoing extensive reforms to increase its effectiveness. A single body responsible for detecting and investigating corruption offences—the Anti-Corruption Committee—is slated to be established in 2021.<sup>10</sup>

The adopted document clearly sets forth the fundamental principles on which the anti-corruption policy will be based:

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<sup>5</sup> See: "Speech Delivered by Prime Minister Nikol Pashinyan while Introducing the Government Program to the National Assembly of the Republic of Armenia," available at [<https://www.primeminister.am/en/statements-and-messages/item/2018/06/07/Nikol-Pashinyan-Speech-National-Assembly/>].

<sup>6</sup> See: *Decision NO 65-A of the 8 February, 2019 on the Program of the Government of the Republic of Armenia*, The Government of the Republic of Armenia, available at [<https://www.gov.am/files/docs/3562.pdf>].

<sup>7</sup> See: *Decision No 808-N of 24 June, 2019 on Establishing an Anti-Corruption Policy Council...*, The Government of the Republic of Armenia, available at [<https://www.gov.am/files/docs/3518.pdf>].

<sup>8</sup> In January 2019, Transparency International specialists, in an official statement, made a number of comments indicating that the course of work on the document, as well as its structure and content, raise a number of objections (see: "Statement on Draft RA Anticorruption Strategy and its Implementation Action Plan 2019-2022," Transparency International Anticorruption Center, available at [<https://transparency.am/en/news/view/2596>]; "2019-2022 Anti-Corruption Strategy Discussed, Goals Mentioned," available at [<https://www.aysor.am/en/news/2018/12/19/anti-corruption/1505560>].

<sup>9</sup> See: "Newspaper: Armenia Develops New Anticorruption Action Plan," News.am, available at [<https://news.am/eng/news/517674.html>].

<sup>10</sup> See: "Effective Anticorruption Institutions to Be Set Up in Armenia, Including an Anticorruption Committee," The Prime Minister of the Republic of Armenia, available at [<https://www.primeminister.am/en/press-release/item/2019/10/03/Cabinet-meeting/>].

- (1) disclosing cases of corruption-related crimes;
- (2) initiating preventive measures;
- (3) educational activities and raising public awareness (Point 90 of the Strategy).

The Strategy focuses on developing an institutional framework for responding to corrupt activities. The above-mentioned Commission for the Prevention of Corruption deserves attention. The tasks of this body include: monitoring the implementation of an anti-corruption strategy; furthering anti-corruption education and coordinating its implementation; developing programs to raise public awareness; carrying out evaluations of the legal effects of anti-corruption acts and their projects.<sup>11</sup> Given the broad spectrum of the Commission's competences, it should be considered an extremely important (and necessary) element in the new policy for the elimination of corruption in Armenia.

It is worth remembering that even before the development of new formal guidelines for preventing and combating corruption, Pashinyan initiated a policy of uncompromisingly combating corruption at the highest levels of government, starting with accounting for the offenses of the old regime. One of the priority cases in this regard was to punish those guilty of the use of firearms by the security forces against participants in the demonstration of 1 March, 2008.<sup>12</sup> In connection with this case, former President Robert Kocharyan was arrested in July 2018 and charged with trying to overthrow the constitutional system, as well as accepting financial benefits. The president was released several times and arrested again in connection with this case.<sup>13</sup>

From September 2019 onwards, the dynamics of the trial of the former president could be followed. In line with the ruling of the Constitutional Court (CC) on the conformity of Art 35 and Part 2 of Art 135 of the Criminal Procedure Code with the Constitution of Armenia at the request of the Kocharyan, the quoted articles were found to be unconstitutional.<sup>14</sup> The ruling argued that the indictment ignores the immunity of current and former senior officials from prosecution for activities related to their position.<sup>15</sup> Citing the opinion of the CC, the former President's counsel applied to the Erevan District Court for release from custody and acquittal in connection with the events of 2008. Judge Anna Danibekyan rejected the motion on 17 September.<sup>16</sup> Kocharyan's supporters point to the politically motivated decision of the court, which was under pressure from the PM, undermining the independence of the judiciary. In fact, the Prime Minister took an intransigent stance on the need to finalize the case of Kocharyan. Suggestions have been put forward that undermine the legitimacy of the CC's verdict, and the leading representatives of the governmental party My Step postulated the dismissal of the President of the Court.<sup>17</sup>

The indictment of the former President of Armenia is unprecedented, but it deepens the fear of using the anti-corruption vector for the complete elimination of political rivals, motivated by particular interests and the desire to continue to hold on to the power of the My Step party, rather than merely the desire to remove the old political agreements in order to strengthen justice in Armenia.

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<sup>11</sup> See: *Decision on Approving the Republic of Armenia Anti-Corruption Strategy and its Implementation Action Plan for 2019-2022*, Ministry of Justice of the Republic of Armenia, available at [[http://www.justice.am/storage/files/pages/pg\\_7105326429691\\_Anti-Corruption\\_Strategy\\_03.10.2019\\_ENG.pdf](http://www.justice.am/storage/files/pages/pg_7105326429691_Anti-Corruption_Strategy_03.10.2019_ENG.pdf)].

<sup>12</sup> See: "Armenia Clamps Down after Post-Election Violence," *The New York Times*, available at [<https://www.nytimes.com/2008/03/02/world/europe/02iht-armenia.4.10626008.html>].

<sup>13</sup> See: A. Miarka, *op. cit.*, pp. 47-48.

<sup>14</sup> See: *Decision of the Constitutional Court of the Republic of Armenia on the Case of Conformity of Art 35 and Part 2 of Article 135...*, The Constitutional Court of the Republic of Armenia, available at [<http://concourt.am/english/decisions/common/pdf/1476.pdf>].

<sup>15</sup> *Ibidem*.

<sup>16</sup> See: "Erevan Court Refuses to Free Kocharyan," *The Armenian Mirror-Spectator*, available at [<https://mirrorspectator.com/2019/09/19/Erevan-court-refuses-to-free-kocharyan/>].

<sup>17</sup> *Ibidem*.

The crackdown on political predecessors also concerned another former Armenian president, Serzh Sargsyan. In early December 2019, the Special Investigation Service accused the President of embezzling state funds.<sup>18</sup> The trial of politicians who used to hold the highest positions in the state is intended to demonstrate Pashinyan's determination to completely transform Armenian political life. Furthermore, it builds the PM's position in the perception of Armenian citizens as an effective, consistent, trustworthy politician and, above all, without any connections with preceding political authorities. This is proven by a public opinion poll conducted by the International Republican Institute (IRI) in 2019. Its results confirm strong support for the government's anti-corruption efforts: as many as 70% of respondents believe that the fight against corruption is effective, and 66% that the government is taking sufficient action in this area.<sup>19</sup>

Pashinyan is aware that the degeneration of the ruling elite, nepotism and corruption were among the key reasons for the growing social frustration in Armenia, which led to the outbreak of the Velvet Revolution. By demonstrating a tenacious attitude towards cases of corruption, he is building his popularity on the polarization of us (forces initiating in-depth political reforms) vs. them (corrupt, authoritarian governments), completely cutting itself off from the political vector created by the republican forces.

## State Financial Management: Tax Reform

As already mentioned, the Government is committed to creating a comprehensive, competitive and export-oriented economy in Armenia that meets all international standards. In addition to the multi-faceted fight against corruption, which is one of the obstacles to the proper functioning of the country's economic sphere, other tools have been set in place to strengthen the international position of the Armenian economy. In this context, it is impossible not to mention the highly emotionally charged tax reform. Legislative changes to the State Tax Code have been formulated to enable the transition from a progressive to a linear system of income taxation, among other things. Prior to the start of work on the amendment of the Code, the Minister of Finance commissioned a study to diagnose the state of the Armenian economy. The much lower profitability of export-oriented economic sectors was noted as an alarming trend, by 40-45% compared to sectors focusing only on domestic consumption.<sup>20</sup> In order to strengthen Yerevan's economic competitiveness, the country had to focus on issues beyond domestic consumption, so Armenia's political forces have developed proposals to amend the Tax Code to stimulate the country's exports, which is a key reason for the government's actions.

The tax reform package, which stipulated for the transition from 1 January, 2020 to a flat-rate tax set at 23% regardless of the income received, as well as the reduction of the turnover tax, was adopted on 25 June, 2019, with the opposition of members of the Prosperous Armenia faction and the approval of the dominant My Step party. Politicians expect that the changes adopted will lead to an

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<sup>18</sup> For more details, see: "Former President Serge Sarkisian Charged with Embezzlement," *The Armenian Weekly*, available at [<https://armenianweekly.com/2019/12/04/former-president-serzh-sargsyan-charged-with-embezzlement/>].

<sup>19</sup> See: "New Poll: Armenians Support Anti-Corruption Measures, Want Action on Socioeconomic Concerns," International Republican Institute, available at [<https://www.iri.org/resource/new-poll-armenians-support-anti-corruption-measures-want-action-socioeconomic-concerns>].

<sup>20</sup> See: N. Badalian, "Armenian Parliament Adopted Amendments to Tax Code: Changes are Aimed at Improving the Competitiveness of the National Economy," Financial Portal ArmInfo, available at [[https://finport.am/full\\_news.php?id=38733&lang=3](https://finport.am/full_news.php?id=38733&lang=3)].

additional 0.8% GDP growth and a 0.5% increase in employment.<sup>21</sup> Despite optimistic forecasts, such a profound transformation of the system is arousing controversy among part of Armenian society. It is worth noting the report prepared by a number of economists for Friedrich-Ebert-Stiftung during the debates on changes. They argue that the functioning of the flat tax will lead to budget losses during the first year in the amount of AMD 27-37 billion, and the society fears that the government will still have to raise taxes in a few years' time due to numerous challenges for the economy.<sup>22</sup> The government will certainly want to mitigate the negative consequences of decreasing budget revenues by increasing indirect taxation on such goods as alcohol, cigarettes or gambling, among other measures. It seems that the source of social unrest may lay, among other things, in the inadequate information campaign indicating the positive aspects of the reform. Moreover, the key economic powers, such as Germany, maintain a progressive system. On the other hand, Eastern European countries that struggled with similar problems as Armenia in the 1990s, e.g. Lithuania, are successfully using the linear system. Given the long-term implications of the changes implemented and the importance for Armenia's economy, the consequences should be monitored.

## **Fight against Poverty: Employment and Education**

One of the consequences of Armenia's longstanding economic collapse is the high poverty rate in the country. According to the Statistical Committee of the Republic of Armenia, the poverty level was 23.5% in 2018, while the percentage of the extremely poor was estimated at 1% of the population. This data means that the number of people living in poverty was about 700,000, i.e., 1 in 4 citizens of Armenia was considered poor. In turn, the unemployment rate was 20.5% in that year.<sup>23</sup> The protests that led to the Velvet Revolution and the complete shift of the authorities in the country were strongly motivated by the low level of the citizens' prosperity, the lack of adequate public services and insufficient concern for the change of these trends shown by the Republican Party of Armenia.

The problem of poverty is one of the most important domestic policy issues facing Nikol Pashinyan's government in Armenia. It is worth noting that mitigating this phenomenon will strengthen the position and confirm the effectiveness of the government. Poverty involves a number of factors, not all of them material, i.e., the wealth of the society (associated with satisfactory employment), but also, for example, the quality of social assistance and the education system. The decision-making center in Erevan emphasizes the importance of these factors in the conceptual framework of the struggle with poverty.

One of the fundamental assumptions is the creation of new jobs, which can be achieved by encouraging the business sector to invest more and increase the number of establishments in the country. During the meeting with entrepreneurs in November 2018, the Prime Minister already expressed the hope that the economic revolution initiated by the government will lead to an improvement of the business environment, through transparency, separation of the political sphere from business and support

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<sup>21</sup> See: "Parliament Ends Work of Extraordinary Session," National Assembly of Republic of Armenia, available at [[http://www.parliament.am/news.php?cat\\_id=2&NewsID=11786&year=2019&month=06&day=25&lang=eng](http://www.parliament.am/news.php?cat_id=2&NewsID=11786&year=2019&month=06&day=25&lang=eng)]; N. Badalian, op. cit.

<sup>22</sup> For more on this, see: "Amendments to the Tax Code in the Light of the Reasons for, and Consequences of, the 2018 Revolution in Armenia," Friedrich-Ebert-Stiftung, available at [<http://library.fes.de/pdf-files/bueros/georgien/15471.pdf>].

<sup>23</sup> See: "Armenia—Poverty Snapshot over 2002-2018," Statistical Committee of Republic of Armenia, pp. 32, 34, 36, available at [[https://www.armstat.am/file/article/poverty\\_2019\\_english\\_2.pdf](https://www.armstat.am/file/article/poverty_2019_english_2.pdf)].

by the state for start-ups related to the advanced technologies, among other things.<sup>24</sup> In turn, in December 2018, Deputy PM Ararat Mirzoyan emphasized that the implemented investment reliefs will result in the creation of about 900 new jobs for Armenians.<sup>25</sup> The reforming government has fulfilled its promises in this aspect, because over 65,000 new jobs were created between May 2018 and September 2019, which implies a 12-percent increase in the generation of new employment opportunities<sup>26</sup>.

In the education sector, the reformist government emphasizes the need to adapt the education system to labor market needs. In September 2019, the Education-to-Work Program was launched. It is the response of Erevan to the challenge of unemployment and the changing perception of education. The need to evaluate the labor market and to develop an educational offer based on the results, while at the same time teaching soft competences, which are desired by employers, such as teamwork skills or creative thinking, was articulated.<sup>27</sup> In the context of the success of educational reforms, it is worth remembering the support of the European Union (in various forms, e.g. financial or advisory), which is important for a country as small as Armenia. The Torino Process, an initiative of the European Training Foundation, should be mentioned. The Foundation supports the EU neighboring countries in the process of improving the educational system and labor policy. Torino is a tool for verifying the effectiveness of the implemented national educational program reforms. Erevan has been cooperating with the Foundation since 2010, which has enabled a relatively high increase in the quality of services in this sector in relation to the rather modest funds allocated to education<sup>28</sup>.

The flexibility offered by the Armenian government in shaping the educational system and adapting it to Western standards should undoubtedly be considered a positive vector of the country's internal policy, but not all the novelties are acceptable to a conservative society. The Ministry of Education, Science, Culture and Sport, headed by Arayik Harutyunyan, has submitted a draft reform of On Higher Education and Science, which abolishes compulsory teaching in subjects such as Armenian language, Armenian literature and history. The proposed changes caused indignation among students and academic staff of some universities, such as the Erevan State University, where students initiated demonstrations in November 2019 to protest against the reform, demanding Harutyunyan's resignation.<sup>29</sup> It is worth remembering, however, that the project that stipulates for the freedom of higher education institutions in providing optional subjects does not prohibit their inclusion in the mandatory curriculum. In the perception of some, these actions will blur the Armenian identity and threaten internal security. What is noteworthy is that the changes in the education sector have been used by the political opposition as propaganda, since the youth faction of the Armenian Revolutionary Federation Party (Dashnaksutyun) was behind the protests. The opponents of the post-revolutionary political forces want to emphasize the negative impact of modern trends and values promoted by the Government on the Armenian tradition. Therefore, the Government should pay attention to the society's attachment to certain values that have been building the unity of citizens and the state for years, so that reforms are not perceived as an attempt to impose foreign patterns of civilization. Such think-

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<sup>24</sup> See: "Nikol Pashinyan: 'Armenia is to Become a Country Where Major Businesses Will Never Get Smaller, and the Smaller Ones Will Grow into Medium-Size Entities and So On'," The Prime Minister of the Republic of Armenia, available at [<https://www.primeminister.am/en/statements-and-messages/item/2018/11/21/Nikol-Pashinyan-speech/>].

<sup>25</sup> For more details, see: "Privileges Provided Under New Investment Projects: Over 900 Jobs to Be Created in Armenia," available at [<https://www.gov.am/en/news/item/9460/>].

<sup>26</sup> See: "100 Facts about New Armenia-2"—PM Nikol Pashinyan's Introductory Remarks at His Press Conference," available at [<https://www.primeminister.am/en/interviews-and-press-conferences/item/2019/09/16/Nikol-Pashinyan-Press-Conference/>].

<sup>27</sup> See: "Tigran Avinyan Attends Launch of Education-to-Work Program," available at [<https://www.gov.am/en/news/item/9581/>].

<sup>28</sup> See: "EU and Armenia for Better Education Reforms," The European Training Foundation, available at [<https://www.etf.europa.eu/en/news-and-events/news/eu-and-armenia-better-education-reforms>].

<sup>29</sup> See: "Student Protests Continue Over the Proposed Education Reform Bill in Armenia," *Caucasus Watch*, available at [<https://caucasuswatch.de/news/2200.html>].

ing may result in a drastic drop in public support for a reforming government that initiates such important structural reforms.

Both the Education-to-Work Program and the On Higher Education and Science reform project should be considered adequate responses to the weaknesses of the higher education system in Armenia, which prove that the post-revolutionary government wants to comply with international demands. Areas of concern to the education system have been identified by many international organizations. It is worth noting the report of October 2019 prepared by employees of The World Bank as part of The Systems Approach for Better Education Results (SABER) initiative. Experts warn, among other things, that the current regulatory framework does not create equal opportunities for all entities, with private universities enjoying greater autonomy in terms of decision making and financing than public universities. Moreover, the experts stress that the current educational offer is not adapted to the needs of the labor market.<sup>30</sup> Therefore, the vector of educational policy created by the Pashinyan government is not only an unfounded pursuit of Western patterns, but also an arguable need for transformations in this sphere, which may constitute an effective long-term tool for combating poverty.

## **Rule of Law: Reform of the Judiciary**

During the Velvet Revolution, Pashinyan pointed out the need for fundamental changes in the functioning of Armenia. By gaining a majority in the National Assembly, the reformers managed to dominate the structures of the legislative and executive power, but the third pillar of statehood, the judiciary, is a problematic area for the implementation of changes. According to the PM's perception, there is a need for an independent and transparent judicial system, which would eliminate the possibility of restoration of oligarchs in political and business structures as part of the establishment of democratic standards and the rule of law in Armenia. As already mentioned, Kocharyan's case arouses strong emotions and is seen as a political issue. The General Prosecutor's Office has opened criminal proceedings against David Grigoryan, judge at the Court of First Instance in Yerevan, who released Kocharyan from pre-trial detention (May 2019); post-revolutionary political forces are also demanding the resignation of the President of the CC, who referred the case of the former President to the European Court of Human Rights and the Venice Commission of the Council of Europe<sup>31</sup>.

After Kocharyan's release from custody in May, N. Pashinyan called on his supporters to block the courts in an act of opposition to the court decision. The PM also repeatedly stressed the need to remove from office those members of the CC, who were elected by the preceding political forces and were part of the old political regime, which was overthrown by the Velvet Revolution. In his statement on the judicial system in May 2019, he pointed out that the judiciary branch has lost its social legitimacy and is perceived by the people as a relic of the corrupt old system. He argued that the political system and the judiciary branch had previously been strongly intertwined, which does not guarantee that the current judges are able to objectively conduct judicial proceedings related to the 2008 events. At the same time, the shortcomings of the system undermine the effectiveness of the fight against corruption. Moreover, the PM has spoken out directly about the need to vet judges, so that the public has information about their political stand and the size of their assets, and all judges who have been found

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<sup>30</sup> For more details, see: *Armenia: Tertiary Education*, SABER Country Report, October 2019, The World Bank, available at [<https://openknowledge.worldbank.org/bitstream/handle/10986/32631/Saber-Tertiary-Education-Country-Report-Armenia-2019.pdf?sequence=1&isAllowed=y>].

<sup>31</sup> See: E.Y. Azadian, "Challenges to Armenia's Judicial Reforms," available at [<https://mirrorspectator.com/2019/08/01/challenges-to-armenias-judicial-reforms/>].



by the European Court of Human Rights to be committing gross human rights violations should resign or be removed from office<sup>32</sup>. On the one hand, the government sees these solutions as putting forth a group of impartial judges who can adjudicate in accordance with international standards, on the other hand—it should be remembered that the members of the CC were elected in accordance with the constitutional provisions of the Republic of Armenia and their term of office should not be questioned in any way due to the political rotation in the country.<sup>33</sup> Any pressure on judges may pose a serious threat to the success of the judiciary reform and may be used by Pashinyan’s adversaries, allowing them to claim that the post-revolutionary forces want to subjugate the judiciary branch, which is a manifestation of the new forces’ authoritarianism, a phenomenon that also characterizes their predecessors.

It seems that the opinions of international organizations that support Armenia in implementing reforms to democratize political life, such as the European Parliament, the Council of Europe and the Parliamentary Assembly of the Council of Europe, should be decisive in determining the correctness of the initiated changes. In this context, the opinion of the Venice Commission, which provides advice to countries on constitutional law, deserves special attention. This opinion indicates that the reform package prepared by the Ministry of Justice is praiseworthy, developed with due care and respect for European standards, while not compromising the independence of the judiciary branch. The experts also pointed out the issues that required more elaboration, e.g. the need to create constitutional mechanisms allowing for an appeal against the Supreme Judicial Council’s decisions on disciplinary issues. In turn, there was no reason to initiate vetting activities.<sup>34</sup> Moreover, international actors will provide the center of power in Yerevan with strong support. The government’s actions are assessed positively, as evidenced, for example, by the statement of the Head of the EU Delegation in Armenia Andrea Wiktorin made in September 2019, which claimed that the EU welcomes the government’s work in developing a strategy and implementing judicial reforms. In July 2019, Donald Tusk, President of the European Council, underlined that the EU will provide financial and technical support to Armenia for the implementation of reforms.<sup>35</sup> Undoubtedly, the Armenian justice system needs multi-faceted reforms, implemented with respect for internal law and EU standards and approval of the public, which should be informed by the government about the actions taken and their purpose.

### *Conclusion: Implications of Reforms and Public Support*

An assessment of whether the reform package implemented since the beginning of the Government’s activity has brought the expected results is required. It should be stressed that it is only possible to examine the short-term implications of changes in Armenia’s domestic policy, since a comprehensive characterization of their impact will be possible only after they are fully implemented.

<sup>32</sup> See: “Prime Minister Nikol Pashinyan’s Statement on Judiciary System,” The Prime Minister of the Republic of Armenia, available at [<https://www.primeminister.am/en/statements-and-messages/item/2019/05/20/Nikol-Pashinyan-Speech/>].

<sup>33</sup> The procedure for the election of members of the Constitutional Court is laid down in Art 166 of the Constitution of the Republic of Armenia: *Constitution of the Republic of Armenia*, available at [<https://www.president.am/en/constitution-2015/%20-%3E>].

<sup>34</sup> See: *Armenia. Joint Opinion of the Venice Commission (...) on the Amendments to the Judicial Code and Some other Laws*, European Commission for Democracy through Law (Venice Commission), pp. 17-18, available at [[https://www.venice.coe.int/webforms/documents/default.aspx?pdffile=CDL-AD\(2019\)024-e](https://www.venice.coe.int/webforms/documents/default.aspx?pdffile=CDL-AD(2019)024-e)].

<sup>35</sup> See: “EU Reaffirms Support for Judicial Reforms in Armenia,” available at [<https://www.azatutyun.am/a/30187494.html>]; “Remarks by President Donald Tusk after his Meeting with Prime Minister of Armenia Nikol Pashinyan,” available at [<https://www.consilium.europa.eu/pl/press/press-releases/2019/07/10/remarks-by-president-donald-tusk-after-his-meeting-with-prime-minister-of-armenia-nikol-pashinyan/>].

Nevertheless, certain trends caused, among other factors, by the aforementioned changes in domestic policy-making, can already be observed.

According to World Bank data, Armenia's GDP grew by 7.9% year-on-year in the third quarter of 2019. Notably, despite the stagnation of exports at the beginning of the year, it contributed 0.7 percentage point to the country's GDP. The inflation rate fell from 2.5% (2018) to 1.8% (August 2019). This lowered the level of poverty: the average poverty level decreased to 10.8% (2018), which is the best result attained since 2010. Real wages increased by 1.5% in 2018 and the upward trend continued in 2019. Positive trends in the economic sector contributed to a change in estimated real GDP growth to 6.8% in December 2019 (from 5.5% in mid-year).<sup>36</sup> The reforms initiated by Pashinyan's government have undeniably brought the expected results for the Armenian economy in the short term. This is also confirmed by Armenia's advancement in international rankings: it was ranked 41st in the Doing Business 2019 (47th in 2018) and 64th in the Global Innovation Index 2019 (68th in 2018).<sup>37</sup> Although some of the reforms being implemented raise fears and controversies, they are required for the power center in Erevan on the way to implementing revolutionary demands—increasing the welfare of citizens, transparency of the authorities and eliminating the flaws of the former system (oligarchy, nepotism, coupling of business and politics, corruption).

Finally, it should be considered whether, despite the courageous actions of PM Pashinyan in establishing the domestic policy vector, he can count on such high support of Armenian citizens as during the Velvet Revolution, thanks to which the reformist party My Step gained power in the country. In this context, the results of the research carried out by the IRI in July-August 2018 and May 2019 are of great interest. In the first case, as many as 83% of respondents positively assessed the new government. Importantly, 63% of respondents expected the required reforms in the country to be initiated quickly. In turn, the 2019 survey also confirms strong support for the Pashinyan government, but with a downward trend: 72% of respondents are satisfied with the government's work. It should be emphasized that the society's expectations remain unchanged in relation to the rapid initiation of economic and political reforms by the executive branch (still over 60% of respondents).<sup>38</sup> Undoubtedly, Pashinyan's policy vector's is a good response to people's expectations for the dynamics of change: some reforms have been initiated very quickly, but it should be remembered that changes in such spheres as the judiciary branch should be evolutionary in order to have an appropriate effect. The evolving political powers need to take measures with positive implications that are tangible to the people. Then, these powers will be able to maintain a high level of support and strengthen their position on the political scene. However, leading decision-makers should be aware of the need to conduct an appropriate information campaign to raise public awareness of the legitimacy and objectives of the changes being initiated. This may lead to the susceptibility of the people to the campaigns held by the oppositions that seek to discredit the government.

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<sup>36</sup> See: A. Manookian, *Armenia Monthly Economic Update—December 2019*, available at [<http://pubdocs.worldbank.org/en/699271576482576286/AM-MEU-Dec19.pdf>]; [<https://www.worldbank.org/en/country/armenia/overview>].

<sup>37</sup> [[https://www.doingbusiness.org/content/dam/doingBusiness/media/Annual-Reports/English/DB2019-report\\_web-version.pdf](https://www.doingbusiness.org/content/dam/doingBusiness/media/Annual-Reports/English/DB2019-report_web-version.pdf)]; [<https://www.doingbusiness.org/content/dam/doingBusiness/media/Annual-Reports/English/DB2018-Full-Report.pdf>]; [<https://www.globalinnovationindex.org/gii-2019-report#>]; [[https://www.globalinnovationindex.org/userfiles/file/reportpdf/gii\\_2018-report-new.pdf](https://www.globalinnovationindex.org/userfiles/file/reportpdf/gii_2018-report-new.pdf)].

<sup>38</sup> See: "New Poll: Armenians Optimistic About Future, New Government," available at [<https://www.iri.org/resource/new-poll-armenians-optimistic-about-future-new-government>]; "New Armenia Poll: High Public Confidence in Government; Enduring Economic Concerns," available at [<https://www.iri.org/resource/new-armenia-poll-high-public-confidence-government-enduring-economic-concerns>].