NO. 102 (2410), 10 JULY 2024 © PISM

BULLETIN

Is Armenia Changing Its Foreign Policy from Pro-Russian to Pro-Western?

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Following their loss in the Nagorno-Karabakh conflict and the lack of Russian assistance in settling the dispute with Azerbaijan, the Armenian authorities have announced a foreign policy reorientation. Prime Minister Nikol Pashinyan suspended the state's participation in the Collective Security Treaty Organisation and announced a review of strategic relations with Russia and a strengthening of relations with the European Union. However, these declarations were accompanied by conservative actions, which casts doubt on the real intentions of the Armenian authorities and may indicate their fear of Russian retaliation.

The Importance of Russia for Armenia. Even before becoming prime minister in 2018, Nikol Pashinyan declared his intention to reorient Armenia's foreign policy from a pro-Russian to a pro-Western direction. However, the possibilities to implement this change were limited by Armenia's international situation, as its security for the past three decades was based on a strategic alliance with Russia. The relationship was political, military, and economic for Armenia, as a member of the Commonwealth of Independent States (CIS), the Collective Security Treaty Organisation (CSTO), and the Eurasian Economic Union (EEU). Russia was Armenia's main supplier of armaments and, moreover, has military bases on its territory in Gyumri and Erebuni, while Russian officers are stationed on Armenia's borders. In addition, Armenia had no diplomatic relations with neighbouring Azerbaijan and Turkey, and its borders with them remained closed.

Russia has control of key sectors of the Armenian economy. It has a near monopoly on gas supply (90%), controls all gas and electricity transmission networks in the country, and supplies the uranium necessary for the operation of the Metsamor nuclear power plant. It also controls the rail transport, telecommunications, and food production sectors. In addition, it is Armenia's largest trading partner (90% of wheat imports come from Russia). Armenia's trade

with Russia has increased significantly in the last two years, from \$5.1 billion in 2022 to \$7.3 billion in 2023, likely due to Russia's circumvention of Western sanctions through Armenia.

Armenia's Declining Trust in Russia. Disillusionment among the Armenian authorities and Armenians themselves with Russia's attitude has been growing since 2020 when neither Russia nor the CSTO provided military assistance to Armenia in the Second Karabakh War, which it lost to Azerbaijan. Russia and the CSTO stressed that the conflict did not concern so-called Armenia proper, but only Nagorno-Karabakh (NK), which de iure remained part of Azerbaijan. In 2021-2022, amid further Armenian-Azerbaijani clashes, including attacks by Azerbaijani forces on the territory of socalled Armenia proper, again Russia and the CSTO remained passive. Since 2022, Russia has almost stopped selling armaments to Armenia, which has not recovered the \$400 million paid for supplies. The so-called Russian peacekeepers in the NK did not respond to the 2023 blockade of the Lachin Corridor, which led to a humanitarian crisis for local Armenians. As a result of Russia's failure to respond to Azerbaijan's assumption of full control over NK last September, it was no longer seen as an ally by many Armenians. Trust in it fell from 87% in 2019 to 31% in 2023.

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according to a survey commissioned by the International Republican Institute (IRI).

A Review of Relations with Russia. Since last autumn, the Armenian authorities have been reviewing relations with Russia. They restricted participation in the CSTO by refusing to take part in military exercises, summits of the organisation, and its funding, declaring that in the future the aim would be to leave it altogether. The official reason for this move was the lack of CSTO assistance to Armenia during the conflict with Azerbaijan. In June this year, Prime Minister Pashinyan reiterated plans to leave the CSTO, stipulating that a date for exit had still not been decided. In recent months, the Armenian authorities have also demanded that Russia withdraw its border guards from the Zvartnots airport (due on 1 August this year) and from the Armenian-Azerbaijani border, but not from the borders with Turkey and Iran.

Armenia's membership in the EEU is different. The Armenian authorities have restricted participation in the organisation's summits (analogous to the CIS), but have not declared a desire to leave it. This is due to strong economic ties with Russia and the other EEU members. Similarly, they have not announced, let alone made any moves, to nationalise or buy back key sectors of their economy from Russia.

Strengthening Cooperation with the West. Attempts to limit relations with Russia go hand in hand with closer relations with the West. Armenia has stepped up contacts with the EU, which, at its request, sent a civilian mission to monitor the border with Azerbaijan. Until last autumn, European Council President Charles Michel mediated between Armenia and Azerbaijan. The EU also provided multi-annual funding to Armenia under the European Peace Facility, pledged support in controlling its borders with Iran and Turkey (funding and training) and in energy reform (considering an invitation to Armenia to join the Energy Community and connect it to the Black Sea seabed electricity cable). The bilateral talks also raised the issues of reviewing and updating the current **Comprehensive and Enhanced** Partnership Agreement, starting negotiations for a free trade area agreement, visa liberalisation, and Armenia's efforts to be granted candidate status for EU membership.

A meeting between Prime Minister Pashinyan, European Commission (EC) President Ursula von der Leyen, and U.S. Secretary of State Antony Blinken took place in Brussels in early April this year. The top American diplomat pledged to provide Armenia with \$65 million in aid from the U.S.

budget. The Armenian authorities are considering the United States as a potential investor in the construction of a new nuclear power plant. The EC, meanwhile, has announced €270 million for Armenia over four years as part of a resilience and growth plan.

Armenia is also looking for new partners in the security sphere. Last September, Armenia and the U.S. held a military exercise and in March this year, NATO Secretary General Jens Stoltenberg visited Armenia to strengthen bilateral relations. At the same time, Armenia is looking for new arms suppliers. So far, it has managed to conclude arms purchase contracts with India and France.

Conclusions and Prospects. Armenia is beginning to move towards independence from Russia after more than three decades of close alliance. This will be difficult to achieve due to Russian resistance. So far, the Armenian authorities have limited themselves to announcements rather than concrete actions, and these have been of a conservative nature (e.g., declarations on exiting the CSTO or demands for Russian border guards to leave Armenia). Independence from Russia will not be possible without leaving the Russian-dominated integration structures in the region—the CSTO and EEU.

However, Armenia's possible exit from the CSTO and the EEU and its progressive integration with the West could provoke retaliatory action from Russia in the form of attempts to overthrow its authorities, embargoes and economic pressure, or even military intervention. In this regard, the EU and the U.S. will need to come up with a clear and concrete plan to strengthen relations with Armenia and offer financial, political, and security support. The actions of Western countries towards Armenia so far have been insufficient in the view of the Armenian authorities. Greater involvement could expand influence (strategic and economic) in the South Caucasus region. However, in order to do so, Armenia would have to implement a series of democratic, institutional and economic reforms, which—at least declaratively—are supported by its authorities.

The success of Armenia's foreign policy change is linked to the peace talks with Azerbaijan. Their peaceful coexistence will create space for Armenia's integration with the West. Therefore, the EU and the U.S. should continue to support the conduct of the negotiations towards the signing of a peace treaty comprehensively regulating bilateral relations, the resumption of diplomatic and trade relations, and, in addition, the process of normalisation of Armenia's relations with Turkey.