

How to Make Armenia's Pivot to the West Irreversible?

Acute hysteria of the Russian media during the revolutionary days of April 2018 in Armenia, denouncing yet another “color revolution instigated by the West,” quickly changed to unusually calm and reassuring “kuda oni denutsya?” (they have nowhere to go). In contrast to the Ukrainian Maidan in 2014 and the concerns about the survival of the Lukashenka regime in 2020 Belarus, Moscow did not rush to jump in with the force. The Kremlin had learned from the disastrous Maidan intervention and realized that Russia was risking little in Armenia. After all, unlike Ukraine or Belarus, Armenia did not border three NATO members and was too dependent on Russia.

Moscow's strategic choice was to wait for a newly elected Prime Minister, Nikol Pashinyan, until he turned the corner. With trump cards at his disposal, Putin took a gamble on gradually diminishing his popularity. This strategy involved tactics such as undermining Armenian reforms, backing the

pro-Russian opposition, and employing disinformation or resorting to economic and energy coercion. The Kremlin's propaganda machine is at a full-out war against Pashinyan. As the Georgian example of 2005–2012 taught the Kremlin, building up local discontent with outside help can be more effective than a frontal attack on an undesirable regime.

Today, Armenia is trying to pivot to the West, but Russia still has many levers that could derail this trajectory by mobilizing internal and external resources. It is, therefore, a relevant question whether and how Armenia can make this strategic shift towards the West and what the West, particularly the EU, can do to support this pivot.

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Waning Influence of Russia?

After the loss of Nagorno-Karabakh, Russia's image as Armenia's security guarantor took a severe hit. In fact, Russia's reputation had been on the decline well before 2023, even before Pashinyan came to power. In 2015, the Electric Yerevan protests against the hiked electricity prices and the murder of six members of the Avetisian family by a Russian soldier stirred anti-Russian sentiments, which further strengthened as Armenians learned that Russia sold arms to Azerbaijan.

The 2018 Velvet Revolution was fueled in part by this widespread dissatisfaction among the population towards Armenia's perceived surrender of its sovereignty to Moscow and submission to the Kremlin's directives by the corrupt elite. Despite

this underlying discontent, Armenian leadership maintained the conviction that there were no viable alternatives for national security, and Russia's predominant influence remained unquestioned, even under the new post-revolutionary government. Most importantly, Yerevan needed Moscow to counter the growing threat from Baku.

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But then Azerbaijan held two military operations in Nagorno-Karabakh, in 2020 and 2023. As a result, Karabakh was lost, and Russia did nothing to prevent it. Military defeat and the exodus of the

Armenian population from the former separatist republic untied many tongues and hands in Yerevan. The vast majority of Armenians will never see Russia as before. Confidence in Moscow is broken, which explains the failure of the pro-Russian Armenian opposition in the elections and street demonstrations attempting to destabilize Pashinyan.

Consequently, the Armenian government has stepped up efforts to build a closer partnership with the West while [distancing](#) itself from the Collective Security Treaty Organization (CSTO) and [showing](#) no interest in the Commonwealth of Independent States (CIS) – both Russia-dominated regional blocs. Ostensibly, the Pashinyan government [ratified](#) the Rome Statute following the ICC's indictment of Vladimir Putin. Armenia even [organized](#) joint military exercises with the USA and [purchased](#) military equipment from France.

However, the decrease of Russian influence in Armenia is not as unequivocal as it seems. Yes, the resounding victory of Azerbaijan and the strengthening of the Baku-Ankara tandem in the South Caucasus is not good news for Moscow, nor is the loss of Karabakh and its traditionally very pro-Russian elite. But Russia still has a game in Armenia. It retains the Gyumri military base, an air base in Erebuni, and the border guards who jointly control Armenia's borders with Türkiye and Iran. Russia is also trying to maintain its "peacekeepers" deployed in Karabakh as a buffer force separating Armenia and Azerbaijan.

Contrary to popular belief, the physical presence of the Russian military in Armenia increased after the two defeats suffered in Karabakh. The Russian army now has a strong presence in the southern regions of Armenia – Syunik and Vayots Dzor, which separate Azerbaijan from its exclave of Nakhchivan and connect Armenia with Iran. Under the pretext of dissuading Azerbaijan from forcing the corridor to Nakhchivan, the Russians are also

guarding the highway leading to Iran. They have de facto reduced Armenian sovereignty over this segment of national territory. A prominent Russian "cultural center" was recently opened in Kapan, a town of 40,000 inhabitants, and the Sisian military airport (also located in the Syunik region) was taken over and modernized by the Russian military.

In addition to hard power, Russia has considerable economic and commercial leverage. Still, Armenia's leading trading partner, Russia, controls many of the country's strategic enterprises, such as the railroads. It also has a strong presence in the banking and telecommunications sectors. Armenia is heavily dependent on Russian gas, which accounts for almost 90% of the country's gas imports. Essential products such as wheat and flour are also imported from Russia.

One of the paradoxical results of Western sanctions against Moscow is the increase of Russia's economic weight in the neighboring countries, which have neither applied nor joined Western sanctions. The most striking example is Armenia, whose trade with Russia has grown geometrically since Russia's large-scale invasion of Ukraine. Total trade figures [doubled](#) in 2022 and tripled in the first nine months of 2023 (as compared to 2021). It is easy to see that the bulk of this boom is attributable to the re-export of European products to Russia and Russian goods to the West. This explains the [tripling](#) of Armenian exports to Russia in one year and the rebalancing of the trade balance between the two countries, which was traditionally highly favorable to Russia.

Some sources describe Armenia as a "logistical hub" for Russia to circumvent Western sanctions. Armenia has suddenly [become](#) the world's 4th largest exporter of semiconductors, re-exporting many dual-use products to Russia. The US Department of Commerce and the EU are even [considering](#) sanctions against several Armenian companies. For now, the Western pressure on Yerevan is

relatively low, probably to avoid destabilizing the Pashinyan government. Still, it could increase if Armenia does not make more significant efforts in preventing the circumvention of sanctions by Russia.

In addition to bilateral trade, the [predominance](#) of remittances from Russia (accounting for almost two-thirds of the total remittances) also fuels the Armenian economy. Nearly three hundred thousand Russian emigrants since 2022 have revitalized entire sectors of the economy, from the IT sector to real estate and services.

The record growth rates recorded by the Armenian economy since 2022 - 14% in 2022 and 7.5% in 2023 - are mainly due to economic ties with Russia. Considering Russia's historical pattern of using economic coercion, Armenia's economic progress has become dependent on Moscow, which is likely to weaponize further its influence to hinder Armenia's closer ties with the West. Armenia has already experienced this dynamic, as evidenced by the recent suspension of the validity of Armenian driving licenses in Russia, targeting Armenian migrant workers, and heightened customs scrutiny for Armenian brandy, often referred to as "cognac" in the post-Soviet region.

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What Could the West Do? Security First!

Over the past three decades, relations between Russia and Armenia have reached their lowest point. None of Armenia's political leaders has been as critical of Moscow as Pashinyan. In a recent [interview](#) with the Wall Street Journal, he went so far as to declare that the presence of the Russian military provided no benefit to Armenia. With Russia preoccupied and entangled in a lingering conflict on the Ukrainian front, the timing seems opportune for the EU and the US to engage further with Yerevan. Moreover, the EU's decision to grant Georgia candidate status also holds promise for Armenia.

If the West and Armenia are genuinely committed to strengthening ties, they must take decisive actions, recognizing the risks involved. Half-hearted measures or unfulfilled declarations might prove more perilous than taking no action at all, potentially escalating tensions and prompting Russia to adopt a more aggressive stance.

Unless a solution is found to Armenia's precarious security situation, no Western measure will have any effect. Armenia needs lasting peace with neighboring Azerbaijan and normalized relations with Türkiye. Today, Russia is taking advantage of the tensions along the Armenia-Azerbaijan border in both the south (Syunik) and the north (Tavush) to impose its reinforced military presence, arguing that it is the only power able to protect Armenia despite its seriously dented reputation.

Replacing Russian troops with Western ones in Armenia seems unrealistic, but making the Russian military presence unnecessary and redundant can be feasible. To achieve this, defusing the explosive potential of a renewed armed conflict with Azerbaijan with possible Turkish participation is a must. This can happen only with a comprehen-

sive peace agreement between Baku and Yerevan obtained through Western mediation. The lasting peace and the security guarantees would untie Yerevan's hands to demand the departure of Russian troops.

The West should also push to normalize relations between Ankara and Yerevan. This is now more feasible than in 2009 when the so-called "Zurich Protocols" were signed but never ratified. At that time, Azerbaijan's close ties with Türkiye prevented the attempt to decouple Turkish-Armenian relations from the resolution of the Karabakh conflict.

The peace agreement between Baku and Yerevan will require the USA and the EU to put political and diplomatic weight behind it. The obstacles are abundant. In addition to Russia's attempts to prevent an agreement that reduces its role in the region, Azerbaijan and Türkiye will have to be convinced.

After its resounding military victory in Karabakh, Baku feels strong and confident and sees itself as a regional power. Ilham Aliyev has unwavering support from Erdogan, notwithstanding differences of opinion on specific issues, which do not prevent the alliance from working perfectly. Aliyev also gained respect (not love) from Moscow, which is extremely rare in the latter's relations with its former satellites. Azerbaijan's relations with Iran are far from ideal but remain stable. Azerbaijan's relations with the West are transactional and pragmatic: Baku exports hydrocarbons and seeks to host a logistical and digital hub connecting Central Asia and China to Europe but avoids participation in integration processes (not seeking EU or NATO membership). Baku is not prepared to align itself with Western human rights values and democracy standards, thus sacrificing the nature of its political regime, but is seeking energy, economic, and logistical cooperation to, among other things, strengthen its independence from Russia. The West seems to be okay with this approach.

After establishing control over Karabakh, Azerbaijan is now trying to exploit its advantage to establish a land corridor (Zangezur, or Syunik corridor, depending on who says it) with its exclave of Nakhchivan through Armenian territory. If built, this corridor would not only directly connect two separated Azerbaijani territories but also serve as the crossroads for East-West and South-North trade. Thundering declarations, muscle-flexing, and skirmishes on the Armenian border are used to pressure Armenia into more concessions. Considering the geopolitical importance of this corridor, it sometimes seems that Baku might even use force to open the corridor and build necessary rail and road infrastructure. But doing so would mean invading Armenian territory, and Armenia is still a member of the CSTO. To alleviate Moscow's concerns, Baku also seems to insist on the Russian military guaranteeing the security of the future corridor, an utterly unacceptable proposition for Yerevan.

The West faces the challenge of brokering such a peace agreement between Azerbaijan and Armenia that does not compel Armenia into a deal susceptible to exploitation by Russia to destabilize Armenia's political leadership. With the Russian energy embargo in place, Azerbaijan has emerged as a crucial partner for the EU in terms of energy supply, deepening the interdependence between the parties. Azerbaijan has demonstrated greater assertiveness and astuteness in negotiations compared to Brussels. While Azerbaijan's share of EU gas imports constitutes only 2-3% of the total, the EU imports a significant portion—about a quarter—of the gas produced in Azerbaijan and nearly 30% of its exports. The EU has not fully leveraged this factor in its negotiations with Azerbaijan, but it possesses the potential to expedite the peace process.

The Turkish factor is also essential for Armenian security. For Ankara, the benefits of peace between Baku and Yerevan and normalized relations with

Armenia are apparent. Türkiye will not go against Azerbaijan's fundamental interests but could facilitate the dialogue between Baku, Brussels, and Washington. It will only happen, however, if the existing problems between the West and Türkiye are shelved. In other words, improved relations between Türkiye and the West would be a positive factor for peace in the region and, ultimately, for the end of the Russian military presence.

Today, we are far from that: Ankara favors reducing the Western presence in the South Caucasus and, in this respect, appears to be more aligned with Moscow and Teheran. But Russian-Turkish rivalries are numerous, giving the West room to maneuver to alienate the Kremlin and develop a closer position with Türkiye on the Armenian-Azerbaijani issue.

Other measures that the West could take to reduce Russian influence in the security sphere are more concrete and feasible even before the peace agreements are signed.

It is imperative to assist Armenia in reforming its security sector, given the evident and overwhelming infiltration of Russian influence across various security structures. A similar scenario was observed in Georgia and Ukraine until local pro-Western administrations initiated substantial internal purges within the security institutions. Numerous elements within the Armed Forces still bear the remnants of the post-Soviet era and years of CSTO membership and close collaboration with the Russian military have impeded modernization and reform efforts. A comprehensive overhaul is required, involving a gradual alignment with NATO standards and the modernization of security institutions.

Today, 90% of Armenia's military equipment and ammunition are imported from Russia. If Yerevan wants to reduce its reliance on Russian weapons, which also causes strategic dependence on

Moscow, the West should help Armenia to diversify its suppliers. India is already [present](#) in Armenia's arms market, and its share is poised to grow in the future. The EU has already allocated some non-lethal equipment from the European Peace Facility but this measure is not even close to what is needed for a significant shift. France is the most advanced NATO member country in the supply of military equipment (radar systems, anti-air missiles, and training of Armenian troupes) to Armenia, and the military cooperation between Paris and Yerevan is expected to [expand](#) further as evidenced by the visit of the French minister of Defense to Armenia and agreements on arms sales. Other NATO member states should follow.

One of the most critical aspects of security is border control. Russia now essentially controls three of the country's four borders. Europeans are already present through the EU Mission in Armenia (EUMA), but this instrument is far too weak compared to Russia's presence. A significant increase in the number of monitors and equipping them appropriately could be a first step.

Economy, Trade, and Resilience

As noted above, Armenia's economic dependence on its former tutelary power is among the most critical factors of Russian influence. To escape this asymmetrical situation, Armenia must diversify its economic relations and massively reorient its trade policy.

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Armenia's Eurasian Economic Union (EEU) membership is incompatible with the EU's Deep and Comprehensive Free Trade Agreement (DCFTA). The DCFTA was almost entirely negotiated by Armenia between 2011 and 2013 but was not conclud-

ed due to Putin's pressure on then-Armenian President Serzh Sargsyan. The EU could put the DCFTA back on the table, stimulating Armenia to leave the EEU gradually. That said, Armenia could keep the free trade agreement with Russia, which does not contradict the DCFTA. Obviously, when this shift starts, Russia will adopt punitive measures against Yerevan, and the EU should be ready to disburse significant sums to support the country's trade and political reorientation. Armenia's advantage in this scenario is its small size (2.6 million inhabitants), which limits costs. Geopolitics comes at a price.

Before signing and enforcing the Deep and Comprehensive Free Trade Area (DCFTA), it would be even more impactful if the EU provided Armenia with Autonomous Trade Preferences (ATP). This approach, already implemented for Ukraine and notably beneficial for its agricultural sector, proved successful for Moldova in specific industries between 2008 and 2015. The advantage of ATP over the DCFTA lies in its ratification-free adoption by the EU Council.

Armenia would be wise to diminish its reliance on Russian energy. Gradually shifting towards more hydrocarbons from Central Asia is one avenue to explore. Additionally, Armenia could advance its renewable energy and hydropower capabilities with EU assistance. Brussels could invite Armenia to join the European Energy Community, thereby mitigating the potential effects of Russian energy manipulation and accelerating Armenia's integration into the European energy market.

The EU must also accelerate the visa liberalization process with Armenia. Despite the EU Foreign Affairs Council's expressed [intention](#) in November 2023 to "explore ways of launching a dialogue on visa liberalization," the formulation indicates the EU's hesitancy in adopting a clear stance. Visa liberalization agreements encounter considerable opposition from member state governments due

to apprehensions about potential mass immigration. Politically, far-right parties instrumentalize the issue, often aligning with Moscow sympathizers. Brussels must transcend these obstacles, possibly after the European Parliament elections (June 2024), to win over the hearts and minds of Armenians.

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Lastly, following the momentous [decision](#) by the Council in December 2023 to commence membership negotiations with Ukraine and Moldova and grant Georgia the EU candidate status, the EU could bolster and incentivize Yerevan's strategic pivot toward the West by acknowledging the European perspective for Armenia. This perspective, distinct from the candidate status, carries significant symbolic and geopolitical weight, articulating European aspirations without specifying a concrete timeline for membership but delineating the bounds of European ambitions.

Preparing for the Worst

Undertaking strategic shifts, such as Armenia's potential and desirable pivot to the West, demands considerable courage, determination, and a willingness to take risks. Georgia and Ukraine have borne a heavy toll in their efforts to break free from Russian influence, facing trade embargoes, mass deportations, energy supply sabotage, various destabilization tactics, terrorism, hybrid warfare, and ultimately, armed conflicts resulting in the occupation of parts of their territories. The Armenian Prime Minister has demonstrated his readiness to take risks and make tough decisions on multiple occasions. However, these risks must be managed to avoid sparking a new conflict, particularly with Russia.

The EU and the US must be prepared to confront

potential escalations from Moscow, especially considering that they will likely shoulder the financial burdens associated with Armenia's economic realignment. Without clear and decisive policies from the Western powers, the current status quo will likely persist and potentially worsen. Thus, the West needs to prepare for the worst.

However, no matter how prepared Yerevan and the West are for possible Russian retaliation, and

no matter how big the Western endeavors to assist Armenia are, they will be rendered futile if Ukraine succumbs to Russian aggression and Putin wins. Conversely, if Ukraine prevails, Armenia's integration into Western structures will be significantly facilitated. Ultimately, the most effective assistance the West can offer Armenia is to support Ukraine in its struggle against Russian imperialism ■