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SURVIVING AS SMALL STATES BETWEEN GLOBAL POWERS: ARMENIA ON THE CROSSROADS OF THE EU AND THE EAEU

Abstract

The paper addresses how small states shape and conduct their foreign policy while caught between rival interests of global powers in a regional context, using Armenia as a case study.

By assessing the evolution of the interplay between Armenia and the European and Eurasian Economic Unions and discussing the nature of commitments and depth of Armenia's participation in the EAEU and the EU's bilateral agreements and neighborhood programs, the paper investigates the extent to which Armenia's membership in the Eurasian Economic Union affects its Eurointegration policy, providing possible explanations of Armenia's interests vis-à-vis the European Union and the main motives for the subsequent change of its integration model.

Keywords: European Union, Eurasian Economic Union, European integration, South Caucasus, Republic of Armenia, Small states.

1. Introduction

Despite the fact that all states share the concepts of sovereignty and autonomy, there are certain features that influence how small states operate in the international system and build their foreign policy priorities. With a limited set of human and material resources to engage larger powers, while vulnerable to asymmetrical power relationships, small states need to adopt particular strategies to ensure their survival, such as balancing or complementing. Apparently, the process of setting foreign and security policy priorities for small states becomes a vital aspect of their approach to security than for greater states. In contrast to larger states, small states operate within narrow margins, as any ill-considered policy or reckless

move may have serious consequences for their very national existence (Walt, 1985; Thorhallsson and Steinsson, 2017; Thorhallsson, 2018).

The research presented in this paper addresses how small states shape and conduct their foreign policy while caught between conflicting interests of global powers in a regional context, using Armenia as a case study. The issue of shaping Armenia's foreign policy in the rival environment of global actors is of particular interest and relevance especially in the context of clashing interests of European and Eurasian integration processes in the South Caucasus region.

For much of its history, Armenia has been trapped in its intricate geopolitical location. Situated at an unrewarding crossroads of clashing interests of different empires, civilizations, and religions, over time the country lost its foreign policy clout in the competition with larger powers. At the early stages of Armenia's independence after the collapse of the Soviet Union, due to difficulties in state-building, severe socio-economic conditions, dire shortage of energy resources, the burden of the unresolved Nagorno-Karabakh conflict, and closed borders with Azerbaijan and Turkey resulting in the country's near total isolation, the country has adopted Russia-oriented foreign and security policies as evidenced by bilateral security and economic agreements between the two states.

Nevertheless, owing to its Indo-European origin, as well as due to various political, geopolitical, economic, and security reasons, Armenia has always been interested in integration into European structures. Since the adoption of the policy of "complementarity" and "engagement" as an external security strategy doctrine — meaning that, along with strategic cooperation with Russia, Armenia will simultaneously develop relations with all states (and organizations) with interest in the region and will actively engage in both regional and international integration processes (National Security Strategy, 2007) — cooperation with European structures has grown significantly. Since the 1990s Armenia has been actively and effectively involved in the bilateral and multilateral projects of the European Union (EU), including European Commission (EC)'s Technical Assistance to the Commonwealth of Independent States (TACIS), the Partnership and Cooperation Agreement (PCA) between the EU and Armenia, the European Neighbourhood Policy (ENP), the Black Sea Synergy (BSS), and the Eastern Partnership (EaP). However, with a rather successful track of the country's progressive integration into EU models and standards, in September 2013 the Armenian administration announced that it intended to join the Russian-led Customs Union and subsequently

engaged in the formation of the Eurasian Economic Union (EAEU), thereby jeopardizing the process of the country's Eurointegration.

The existing studies explain Armenia's receptivity to EU templates and the abrupt shift towards the EAEU in terms of "cost-benefit analysis of the EU's offer against country's specific regional, political, and economic context" (Delcour and Wolczuk, 2015, p. 492). Armenia's U-turn is also explained by Russia's growing antagonism with the West in the wake of the EaP initiative and Association agenda, which led to Russia's more assertive "near abroad" policy, designed to stop the EU's further advancement into the sphere of its vital interests (Emerson and Kostanyan, 2013; Delcour and Kostanyan, 2014; Dragneva and Wolczuk, 2012; Giragosian, 2015). Studies show that Armenia's shift towards the EAEU emanates from precarious regional environment and traditional security challenges in the face of which Russia was perceived as an irreplaceable strategic ally and security guarantor. (Terzyan, 2016). Some authors view the September 3rd decision of the Armenian government as predetermined, given political and economic overreliance on Russia (Popescu, 2013; Delcour and Wolczuk, 2015). Alternatively, Armenia's opting for the Eurasian path is explained by its relative insignificance for the West, given the broader geopolitical concerns and risks, and the EU's inability or unwillingness to offer the small state security guarantees despite the country's vulnerability to Russia (Shirinyan, 2019, p. 13).

Nonetheless, since joining the EAEU, Armenia has sought to regain relations with the EU, having adopted a clear policy on furthering political and economic cooperation with the EU to ensure compatibility with the Eurasian direction of its foreign policy. This resulted in the EU-Armenia Comprehensive and Enhanced Partnership Agreement (CEPA) signed on November 24, 2017.

Obviously, both economic integration models and processes entail legally binding commitments for Armenia, bearing potentially strong effects in terms of the need for legislative changes in domestic law (Van der Loo and Van Elsuwege, 2012; Delcour et al., 2015). Consequently, Armenia's membership in the EAEU may have implications for its relations with the EU in terms of compatibility with the CEPA and the new framework and provisions of the reviewed ENP.

The present paper examines whether a small landlocked state like Armenia, when faced with the quandary of European and Eurasian integration paths, has the maneuvering space to pursue a multi-vector foreign policy, given its own geopolitical and hard security challenges.

The article investigates to what extent Armenia's membership in the EAEU affects its Eurointegration policy, providing possible explanations of Armenia's interests vis-à-vis the EU and the main motives for the subsequent change of its integration model by assessing the evolution of the interplay between Armenia and the EU as well as the EAEU and discussing the nature of commitments and depth of Armenia's participation in the respective bilateral agreements and neighborhood programs. With an accurate chronology of EU-Armenia relations, the study also shows the prospects of the EU-Armenia cooperation, taking into account Armenia's new international obligations per its membership in the EAEU.

The article argues that Russia's assertive policy vis-à-vis Armenia and the latter's overdependence on Russia in security matters left very few opportunities for the small landlocked country to achieve a Russian-European balance. Although Armenia has succeeded in signing the EU-Armenia Comprehensive and Enhanced Partnership Agreement (CEPA), which will undoubtedly deepen and broaden the scope of bilateral relations between Armenia and the EU in political, economic, and social fields, Armenia's commitments vis-à-vis the EAEU indicate that there is little to no space for developing deep economic cooperation with the EU since abandoning the Deep and Comprehensive Free Trade Agreements (DCFTA) and given the limitations in sectoral areas of cooperation, particularly in the fields of energy, transport, and connectivity.

At the same time, Armenia's membership in the EAEU and its efforts to regain and strengthen its relations with the EU allowed the EU to explore new possibilities of an "AA-minus" framework, which subsequently can be offered to other non-associated members of the EaP, thereby creating new possibilities for the EU to expand relations with other EAEU members and to engage with the EAEU in the common neighborhood. The EU-Armenia CEPA serves as an important precedent for this approach.

The analysis will be based on methods and approaches of qualitative research design. To conduct the study I use a case study historical-comparative research method, qualitative content analysis, and discourse analysis techniques. Data was collected through the analysis and assessment of available official documents, books, scholarly journals, press releases, speeches, interviews and statements. I support the study with official data provided by the EU, articles, reports, and policy papers produced by various think tanks, NGOs and newspapers.

The paper consists of an introductory section, the main body that includes two sections delving into the evolution of Armenia's European

integration and the various implications of membership in the EAEU on Armenia's Eurointegration, and a conclusion where the outcomes of the study are summed up.

2. The Intricate Path of Armenia's European Integration: From Civilizational Choice to Abrupt U-turn

The abrupt dismantlement of the Soviet Union shattered the bipolar system, resulting in an emerging new geopolitical reality in the Eurasian continent, building new independent relations of the post-Soviet states with the rest of the world, and invoking new regional and global players in the South Caucasus region.

The collapse of the Soviet system brought drastic changes to all post-Soviet republics bringing on shattered economic and trade relations previously conducted within the Soviet Union, which was followed by severe socio-economic conditions within the post-Soviet space, and the South Caucasus in particular. In the early stages of independence, the three states of the South Caucasus region, Armenia, Georgia, and Azerbaijan, were poorly prepared to deal with state building in the changed geopolitical reality. The situation was worsened by political, economic, and social instability, ethnic conflicts, and blockades.

Besides issues concerning the creation and consolidation of a sovereign state framework, a devastated economy, lack of institutional reforms, and massive corruption, Armenia's politico-economic situation was worsened by the 1988 earthquake, which ruined almost 30 percent of industrial infrastructure, and the confrontation with Azerbaijan over Nagorno-Karabakh, which was taking a vast amount of state resources (Hunter, p. 40). Moreover, the high dependence on external energy sources, the closed border and lack of diplomatic relations with Turkey, and the negative effects of Georgia's conflicts resulted in Armenia's near total isolation in the region and it being placed in an extremely difficult geopolitical situation.

At the earlier stages of its independence, these factors defined Armenia's Russia-oriented foreign and security policies. The strategic partnership between Armenia and Russia is evidenced by bilateral security and economic agreements between the two states, Armenia's membership in the Collective Security Treaty Organization (CSTO), and by the presence

of Russian military bases in Armenia. Besides, Russian companies have a significant share in Armenia's economy.

Nonetheless, due to its Indo-European origin, historical tradition, as well as obvious political, geopolitical, economic, and security reasons, Armenia has always been interested in integration into European structures. Being the only landlocked and the smallest country in the South Caucasus, Armenia's relationship with the EU is an important dimension of Armenian multi-vector foreign policy. The significance of the relations with the EU found its response in Armenia's National Security document stating that, "The development and consolidation of Armenia's relations with the European structures, and with the European Union above all, is a priority direction for the country's foreign policy... Establishment of close relations with the EU serves Armenia's long-term interests" (National Security Strategy, 2007, p. 12).

To understand the rationale behind Armenia's interest vis-à-vis the EU and the country's commitment to Europeanization of its legal and political systems, several core factors should be scrutinized.

The cornerstone of Armenia's policy of European integration is the perception of the European path of development as the country's historical and civilizational choice (Abrahamyan, 2013). Armenia's culture, heritage, values and identity make the Armenian nation an indivisible part of Europe. The "European element" has deep roots in Armenian culture and history thanks to the nation's Indo-European origin, strong genetic ties with Europe and the role of Christianity in European history (Haber et al., 2015). The traditional value system of the Armenians is based on the ideas and models of European modernity, Enlightenment, and European civilization (Zekiyani, 2005, p. 60-61). In addition, the historical orientation of Armenia to Europe, the long-established good relations with various European countries, and the presence of an active Armenian Diaspora in Europe all play significant roles in Armenia's firm commitment to the European path of development.

Secondly, it is the country's commitment to its complementary foreign policy, assuming multi-vector cooperation in all directions, to ensure a well-balanced, flexible, and maneuverable policy on the international level. The declared multi-vector focus of Armenia's foreign policy means that while maintaining a strategic partnership with the Russian Federation and its active participation in integration processes in the framework of the CIS (Commonwealth of Independent States) and CSTO, the country is also expanding and deepening relations with the West by increasing

and deepening cooperation with European structures (NATO, the EU) and the United States in political, economic, military, and other fields (National Security Strategy, 2007). In this regard, the “complementarity” principle of Armenian foreign policy represents the combined reliance on Russia in terms of security provisions with reliance on the EU to promote the country’s economic development and modernization (Delcour and Wolczuk, 2015, p. 502). Similarly, the EU is seen in Armenia as soft security mechanism to complement Russia’s hard security dimension and to balance Russia’s dominant position in Armenia’s political, economic, and security sectors, providing alternatives for national foreign policy implementation (Gevorgyan, 2015a, p. 32).

With that, integration with the EU, defined as normative and civilian power (Duchêne, 1972; Manners, 2002), whose international role implies, among other things, promotion of democracy, rule of law, respect for human rights and fundamental freedoms, and promotion and development of the norms and principles of peace and liberty, is considered in Armenia as the best alternative that could guarantee a democratically stable future for the country. The further intensification of Armenia’s broad cooperation with the EU will help to reform and maintain good governance, promote the consolidation of democracy, strengthen the rule of law, and protect human rights and fundamental freedoms (Abrahamyan, 2013). Hence, deep cooperation with the EU promotes Armenia’s resolution to render a modern European state, characterized by advanced democracy and free market economy.

Regarding economic factors, the development of relations with the EU, one of the biggest global economic powers, broadens Armenia’s trade and economic links and supports the country’s economic development. The EU is one of Armenia’s biggest trading partners, accounting for around 20 percent of the country’s total trade. According to European Commission data, the EU is Armenia’s second biggest export and import market with respectively a 21.9 percent and 19.5 percent share in total Armenian exports and imports (European Commission, 2020). Armenia is particularly interested in European investments in various segments of its economy, mainly agriculture, tourism, high-tech, and IT sectors. Moreover, funding assistance provided by the EU through diverse programs is of special importance for Armenia.

At the same time, further cooperation with the EU is perceived as the most desired and advantageous due to modernization and European lifestyle prospects. The European vector of development entails irreversible

de-Sovietization of the country, as integration with the European structures implies replacing archaic Soviet values and practices with modern European ones (Iskandaryan, 2013, p. 16). Aside from access to the European market, further integration into European structures that entails institutional reforms, harmonization, and standardization processes regarding goods and services will encourage the modernization and development of the Armenian economy and will significantly increase quality of life (Gevorgyan, 2015a, p. 33).

In terms of geopolitical gains Armenian interests chiefly lie in emerging from its isolation and taking a share of the energy transit in the region. Reversing isolationism, eliminating dividing lines, lifting blockades, and creating equal opportunities for regional states reside in the European dimension. In this context, Armenia is interested in enhancing the EU's impact in the South Caucasus, considering its multidimensional and cross-border regional cooperation programs as a possible impetus for improving Armenian-Turkish relations and opening borders (Sargsyan, 2014).

Enhancing the partnership with EU institutions is also important for Armenia in terms of the resolution of major security issues in the region. Unquestionably, the peaceful resolution of the Nagorno-Karabakh conflict is a top priority for Armenia. Despite the fact that the Armenian government has some objective concerns (keeping in mind the EU's growing energy interests in Azerbaijan) regarding more direct involvement of the EU in the settlement of the Nagorno-Karabakh conflict,¹ Armenia is deeply interested in creating soft security mechanisms by the EU in the formation of a regional security and stability environment through joint cooperation (Gevorgyan, 2015a, p. 33-34).

It is therefore unsurprising that after gaining independence on September 21, 1991, Armenia declared its strong willingness on close cooperation with the EU. However, until the 2000s the South Caucasus did not enjoy much attention from the EU.

The development of European policies in the South Caucasus started to evolve in the beginning of the 1990s, when the end of the Cold War and the collapse and fragmentation of the Soviet Union enabled the building of new independent relations of the South Caucasian states with the regional and extra-regional actors. Nonetheless, in the last decade of the 20th century the EU kept a low profile in the South Caucasus. The initial stage of the EU's policy towards the region can be characterized by an inert attitude, the absence of a well-coordinated strategy vis-à-vis

the South Caucasus, and the EU's uniform approach towards the region (based upon a similar contractual framework provided by the Partnership and Cooperation Agreements and a general approach of the EU to all post-Soviet states). The admittedly passive interest towards the region was limited and focused mainly on humanitarian areas and technical assistance within the frames of the European Commission's TACIS program (Lynch, 2003, p. 171-192; Gevorgyan, 2015b, p. 91-92).

Since gaining independence, by choosing the European model of development, Armenia has been actively engaged in the EU's bilateral, multilateral, and regional initiatives, projects, and platforms aimed at deepening its relationship with the EU. In the early 1990s Armenia was involved in TACIS, the EC Humanitarian Office (ECHO), and Food Aid Operations (FAO) programs, which provided EU technical assistance and humanitarian support to regional states' governments in the process of transition to market economies and democratic societies (European Commission, 1992).

The signing of the Partnership and Cooperation Agreement in 1996, which entered into force on July 1999, marked the deepening of relations between the EU and Armenia. Aside from providing a legal background of bilateral relationship and establishing political dialogue, the 10-year partnership agreement was meant to provide a wide scope for extensive cooperation (European Commission, 1999). However, given the lack of incentive, political will, and eagerness on both sides, the PCA was not successful. Aside from the EU's limited success in developing a political profile, the parties failed to achieve the aims of the agreement and develop the PCA beyond good partnership. Overall, the EU-Armenia relations remained passive.

The dawn of the 21st century marked a new stage in the EU's policy in the region, with profound acknowledgement of its strategic interests and emphasized willingness of a more active engagement and development of a comprehensive strategy towards the South Caucasus. During this period the EU's policy vis-à-vis the region significantly evolved from a uniform approach to clearly differentiated policies. The EU's relations towards the South Caucasus were institutionalized through the ENP, and later the Eastern Partnership, Association Agreements (AA), and DCFTAs — apparent attempts at bringing the partner countries closer to the EU's normative and regulatory framework (Gevorgyan, 2016, p. 117-118).

The ENP, inspired by the EU's enlargement in 2004 and aimed at creating a secure neighborhood and preventing the emergence of new

dividing lines (European Commission, 2004), was mainly designed as a strategy to cope with newly emerged issues: the new security challenges on the eastern borders, the need to stabilize the EU's new neighborhood, and the need to achieve cohesion between the internal and external agendas of the enlarged Union (Kahraman, 2005, p. 3). The subsequent inclusion of the South Caucasian states into the ENP in 2004, following the Rose revolution in Georgia, provided a new mechanism for further advancing EU-Armenia relations. The ENP became fully operational in 2006 after the bilateral Action Plan was adopted.

As a small, landlocked country subjected to blockades by its neighbors Turkey and Azerbaijan, Armenia has tended to place high expectations on the EU's intensifying engagement with the South Caucasus. The ENP's importance for Armenia can be explained by several factors. The ENP could provide a transition from Armenia's current geopolitical isolation to a better integration into the international community and market economy. The program could be a vital catalyst in the promotion of economic and social development, attraction of investments, and implementation of the reforms and harmonization of the domestic legislation to EU standards. The ENP could also promote better security for Armenia by creating the sphere of shared European values in the region, strengthening regional cooperation, and establishing an atmosphere of stability and mutual trust. Nonetheless, weakened by flaws in its structure, scope, and nature, the ENP failed to offer tangible incentives for Armenia to foster fundamental reforms. Overall, the ENP, with its vague and remote prospects, did not clearly define the character of the relations between the EU and its neighbors (Gevorgyan, 2016, p. 123-126). Due to the ENP's structural and operational limitations, lacking credibility, and leverage, the EU remained a distant actor, owing to the lack of EU delegation in Armenia until 2008.

On May 7, 2009 at the Prague Summit, the EU launched a new initiative — the Eastern Partnership — for six post-Soviet countries, including Armenia, Azerbaijan, Georgia, Moldova, Ukraine, and Belarus. It had been envisaged not only to contribute to the overall strengthening of the EU's offer to partner countries through the perspective of the AAs and DCFTAs, but also to address the shortcomings of the ENP. The primary focus of the Eastern Partnership was “to create the necessary conditions to accelerate political association and further economic integration between the EU and interested partner countries” (European Commission, 2009) under the formula “more for more”,² thereby establishing direct links between sectoral reforms and an enhanced relationship with partner countries. A

closer relationship with partner countries depended on their convergence with EU's technical rules and political norms. Even though the EU's eastern policy largely refrains from security issues, the initiative aimed to promote and encourage political and economic reforms that are essential to build peace, prosperity, and security in six post-Soviet states by offering "more concrete support than ever before" (Ferrero-Waldner, 2009). In contrast to the ENP, the Eastern Partnership proved itself as a particular attractive offer for partner countries, as it provided new and palpable prospects: an enhanced contractual framework through AAs and DCFTAs, the prospect of visa liberalization, increased sectoral cooperation, and membership in the Energy Community.

Since the very beginning of the program, Armenia has been actively engaged in the EaP's initiatives, making significant progress in the implementation of the reforms and the harmonization of domestic law in accordance with the EU standards (Delcour and Wolczuk, 2015, p. 504-505). Cooperation within the EaP was considered by the political elites as a chance to improve democratic order and create new economic opportunities. Instead of being a distant external actor, the EU came to be perceived in Armenia as a major partner in the country's modernization, the one to provide guidance for the country's internal reform process, assist in the implementation of the reforms, and strengthen economic and overall stability of the country (Sargsyan, 2011).

Overall, the discourse of the EU held by Armenian officials has been highly positive in the given period, as, along with the EU's transformative power to bring security, prosperity, and stability into its neighborhood, it was perceived as a timely stimulus for upgrading the country. As President Serzh Sargsyan reflected in his speech at the Vilnius Eastern Partnership summit: "The Eastern Partnership enabled us to give new impetus to the modernization efforts to our state and society upon the principles of democracy, human rights and rule of law. It stimulated the agenda of our wide-scale reforms" (Sargsyan, 2013b).

The EU's offer focused on long-term cooperation on technical issues was all the more attractive to Armenia because Armenia's political elite believed their political survival or the security alliance with Russia would not be threatened. Armenia's commitment to the European path of development and its compatibility with Russia's strategic security partnership were repeatedly reiterated by the Armenian administration. In the words of President Sargsyan:

Today, the issue of becoming a full member of the European Union is not yet on our foreign policy agenda. However, I would like to repeat that the European rules of the game and European standards must take root in our country because these are high and time-tested standards. We need these standards to make considerable progress, to change lives of our citizens and to build up the organizational strength of our society. There is no discrepancy between this reality and Armenia's being a CIS and CSTO member, and Russia's strategic partner. Our close and multifaceted, I would say in many instances exemplary, cooperation with the Russian Federation does not contradict these values, which are proclaimed by Russia itself. Furthermore, I am confident that our friends — Russia, the West, and all others, will be only happy for our success. (*Armenpress*, 2010)

Nevertheless, despite Armenia's progressive integration into EU models and standards and substantial achievements in terms of legal approximation resulting in the timely conclusion of negotiations for a DCFTA with the EU, on September 3, 2013, right after Armenian President Serzh Sargsyan's visit to Moscow and negotiations with Russian President Vladimir Putin, the Armenian administration announced that it intended to join the Russian-led Customs Union and subsequently engaged in the formation of the EAEU (*RIA Novosti*, 2013). Armenia's relatively successful process of its Europeanization was jeopardized.

Apparently, Serzh Sargsyan's U-turn statement came as a surprise both for the EU officials and for a significant part of Armenian society and political elites, since bilateral negotiations on the Association Agreement had just been finalized and the country had been planning to sign the agreement in November. Moreover, back in April 2012 there were numerous statements made by high-level Armenian officials on the impossibility of joining the Customs Union, given the absence of common land or maritime border with the Customs Union and lack of economic relations with other participating states, namely Belarus and Kazakhstan. In his interview with the Russian newspaper *Kommersant* the Armenian then Prime Minister Tigran Sargsyan specifically stated that: "In global practice there is no example of a country joining a customs union without having a common border." In Sargsyan's words, by joining the Union, "We would only get into trouble with higher tariffs and taxes. It is not reasonable from the economic point of view... The Customs Union does not provide any functional instruments for our economic players. Therefore, it is of no use" (*Kommersant*, 2012). Furthermore, according to the Prime Minister the absence of common borders with the Customs Union was not the

only reason for Armenia's reluctance to join the Russian-led union. In his interview with the Russian newspaper *Moskovskie Novosti* on February 2, 2013, Sargsyan argued that, unlike other members of the Customs Union, Armenia had a more liberal trade regime and lacked vast natural resources. In his words,

Another specificity of Armenia is that the structure of the Armenian economy is very different from that of the economies of the Customs Union's countries that have substantial deposits of energy resources and pursue a policy of supporting domestic manufacturers through quite high customs duties... On the whole, the level of such duties in the Customs Union is twice higher than those levied in Armenia. (*Moskovskie Novosti*, 2013)

He added that as Armenia was one of the first CIS countries to join the World Trade Organization (WTO), integration into the Customs Union would be complicated, therefore more effective instruments of interaction with the Customs Union should be found (*Moskovskie Novosti*, 2013).

It strikes the attention that, during the haphazard process of Armenia's integration into the EAEU, while the membership roadmap was being prepared, the likely economic impact of Armenia's EAEU membership was not properly studied. The EU-Armenia negotiations on the AA and the DCFTA went on for more than three years. A Dutch consulting company had done rigorous research on the anticipated impacts of the DCFTA for various sectors of the Armenian economy, providing a 200-page Trade Sustainability Impact Assessment in support of negotiations of a DCFTA between the EU and Armenia. The report estimated the significantly positive impact of the DCFTA on the Armenian economy, corresponding to increases of 2.3 percent of GDP and significant increases in total Armenian exports and imports (15.2 percent and 8.2 percent, respectively) in the long run. In addition, the DCFTA would open up greater opportunities for foreign investment as well as increase the competitiveness of the Armenian economy on the basis of regulatory convergence with EU technical standards (European Commission, 2013). In contrast, in a 40-page report published by Eurasian Development Bank's (EDB) Center for Integration Studies, a group of researchers provided analysis of Eurasian integration effects merely in energy and transport sectors of the Armenian economy. The study also included assessment of the likely impact of the integration initiatives on migration. The report estimated an additional 1.5-2 percent

increase in Armenia's GDP growth in the process of integration with the Customs Union (about \$200 million increase was forecasted in 2015). In another two years, provided that mineral product prices would be adjusted to those in the Customs Union, an additional GDP growth might be 4 percent (increase of about \$400 million) (Tavadyan, et al., 2013, p. 26). According to the report, Armenia's GDP growth rate would be steadily high, thanks to direct investments in its infrastructure and production, a decrease in energy prices, and a more favorable legal environment for Armenian labor migrants, which would provide additional 3 percent annual increase in remittances (about \$36 millions).³ The positive impact on the Armenian economy depended upon the construction of a new power plant with Customs Union support, construction of the railroad to Iran, the "North-South Corridor", and the opening of railway transport with Russia through Georgia (Tavadyan, et al., 2013, p. 6-7, 26). The roadmap on Customs Union membership was prepared in less than four months.

In fact, Armenia's decision to join the EAEU was made despite the apparent lack of clear economic benefits for the country. Clearly, joining the Customs Union even entails expenses for Armenia, as the initial common external tariff of the Customs Union was broadly aligned with the tariff plan in Russia and therefore is much higher than in Armenia. Hence, the country had to significantly increase its average tariff from 5.2 percent to 8.5 percent (World Trade Organization, 2013 and 2015) in order to comply with the Customs Union's single tariff, which would result in higher prices for imported goods in Armenia. In addition, Armenia was faced with possible tariff renegotiations with those WTO members who were affected by the tariff adjustments. The skepticism among field experts also grew because of the unclear perspectives for future cooperation with neighboring states as well as other non-Customs Union member states (Tarr, 2016, p. 1-8). Interestingly enough, during the talks on accession to the Customs Union, Armenia requested interim exemptions from customs duties on approximately 900 commodity groups, which reflected Armenia's concerns about the economic consequences of joining the EAEU regarding rising duties on imports and Armenia's WTO commitments (Delcour, 2014, p. 9). After signing the Accession Treaty to the EAEU in October 2014, Armenia joined the bloc in January 2015.

To understand why the country abruptly decided to join the EAEU at a time when it had met key EU demands under the DCFTA and successfully completed the negotiations on the Association Agreements several determinants should be explained.

The vast majority of experts attribute Armenia's U-turn to the country's heavy dependence on Russia in terms of security provision. Particularly, the unresolved Nagorno-Karabakh conflict and unsettled Armenian-Turkish relations are the issues cited most frequently (Popescu, 2013; Delcour and Kostanyan, 2014; Delcour et al., 2015; Giragosian and Kostanyan, 2016). More specifically, Russia's pressure became apparent with military rapprochement with Armenia's foe Azerbaijan, evidenced by billions of dollars of sophisticated weaponry sales to Azerbaijan from 2010 to 2014 (*RIA Novosti*, 2018), which apparently resulted in the shattering of the military balance, provoking conflict escalation, and, subsequently, renewal of hostilities in April 2016.

Along with this, Russia made it clear that it would not be able to fulfill security guarantees for Armenia after the EU Association Agreement was signed. The Russian position was basically highlighted in the statements of one of the ideologists of the "Eurasianism" doctrine, the influential Russian public figure Alexander Dugin:

... any anti-Russian sentiments in the post-Soviet area will sooner or later result in an outcome similar to Georgia's and Ukraine's... With regard to not joining the Customs Union, there is an option for Armenia: either Customs Union membership or disappearance from the world map plunged into bloodshed. That is the option and the country is free to choose. (Dugin, 2014)

When providing explanations on Armenia's abrupt U-turn, President Sargsyan placed a special emphasis on security-related determinates, stating "participating in one military security structure makes it unfeasible and inefficient to stay away from the relevant geo-economic area" (Sargsyan, 2013a). The President implicitly stressed the undesirability of applying the Ukrainian scenario to Armenia:

The Ukrainian crisis has demonstrated that lack of understanding of the root causes of the current situation can call further proceeding of the Eastern Partnership into question. Armenia joined the Eastern Partnership with a deep conviction that it is not directed against any third country... It is necessary to find solutions by means of a dialogue that take into account interests of all regional beneficiaries. (Sargsyan, 2014)

Another factor explaining Armenia's Russian-led choice is the country's energy security concerns, particularly Armenia's heavy reliance on energy supplies from Russia, which made the country especially vulnerable to possible gas price hikes. In this regard, it is worth mentioning that through controversial "Equity for Debt" agreement negotiated in 2002-2003, which prompted Armenian authorities to hand over key sectors of the Armenian economy, including core energy facilities, to Russia, and the even more disputable gas deal between Armenia and Russia signed in 2013, which granted Gazprom monopoly rights for gas supply and distribution in Armenia until 2043, Russia has gained control of around 90 percent of Armenia's energy sector (RFE/RL, 2013a). Moreover, Russia tightened control over the Armenian energy sector by extending its control over the final power block of the Hrazdan power plant, thus enabling Gazprom to handle Armenia's access to Iranian gas supplied via the Iran-Armenia gas pipeline (Danielyan, 2006). Interestingly, shortly before Armenia's U-turn, in April 2013 Russia played its energy card by increasing gas prices by 50 percent for Armenia, thus indicating the devastating economic consequences of the country's European aspirations. Ironically, Moscow reduced the gas price once Armenia declared it was joining the Customs Union.

To justify the Eurasian choice, the Armenian political leadership admitted that it would secure Armenia from unwelcome fluctuations in gas prices and relevant economic hardships caused by energy supply cut offs, especially having witnessed the politicization of Russian energy supplies in both Ukraine and Moldova. As President Sargsyan put it: "Our choice is not civilizational. It corresponds to the economic interests of our nation. We cannot sign the Free Trade Agreement and increase the gas price and the electricity fee three-fold" (*Aravot Daily*, 2014).

Besides using Armenia's security and energy dependency as a political leverage, Moscow also employed the economic tools to make Armenia reconsider its dialog with the EU and to prevent the signing of the EU Association Agreement. Russia is Armenia's major external trade partner — in 2013 the country received 22.61 percent of Armenian exports while imports from Russia into Armenia amounted to 25.95 percent of total imports (World Bank, 2013). According to data, Russia is also a big source of migrant remittance, amounting to around \$1.607 billion of non-commercial overseas wire transfers from Russia to Armenia in 2013 (Hergnyan, 2016). Russia has extended its economic leverage by gaining control over the Armenian railway network and acquiring a considerable

share in the mining sector. Moreover, Russia is a major foreign investor in the Armenian economy. There are about 1,400 enterprises in energy, mining, construction, banking, IT, and communication sectors operating with Russian capital, which is over one-fourth of all economic entities with involvement of foreign capital (Armbanks, 2014).

In addition, Russia's large Armenian diasporic community, estimated at around 2.5 million people (*RIA Novosti*, 2002), and the high number of Armenian labor migrants located there still keep Armenia very dependent on Russia. Hence, keeping in mind the mistreatment of the Georgian population in Russia during the period of very tense Russian-Georgian relations before the 2008 war, the Armenian leadership chose to eschew the serious repercussions of antagonizing Russia. In light of Russia's potential threats to ban Armenian exports to Russia, deport Armenian labor migrants, and block private money transfers to Armenia via Russian banks, the decision to join the Customs Union was inevitable.

All the above-mentioned arguments lead to conclude that Armenia's decision to join the Customs Union was made under the political pressure of Russia, which was obviously interested in decreasing European influence in the sphere of its privileged interests and strengthening the shaky perspective of the EAEU's formation by any means. Faced with harsh realities of hard security challenges, the complementary policy of the small landlocked state had to yield to the power of Russian coercion. Unsurprisingly, security priorities became a vital aspect for Armenia to reconsider its integration model and to join the EAEU, given there were no security guaranties from the EU to mitigate the political and economic costs of antagonizing Russia.

Interestingly enough, even though the decision to join the EAEU was taken by the President without any domestic debate, it was not met by significant protests from civil society, government, business groups, or political parties. Aside from the intricate security concerns and the realization of the necessity to retain and expand its strategic partnership with its key security provider Russia, such reluctance can be explained by some domestic factors. Chiefly, Armenia's socio-political landscape lacked strong, institutionalized, real opposition and civil society forces to oppose the U-turn. Besides, the deep rooted foundations of strongly centralized and non-competitive political and economic establishments would probably not survive the reforms that Armenia would be required to introduce under the Association Agreement in the long term (Delcour and Wolczuk, 2015, p. 493). Subsequently, the decision to join the EAEU

was hailed as rational and advantageous across Armenia's political elite, stressing its strategic importance for Armenia's security. Reflecting on Armenia's abrupt decision to enter the EAEU, the Deputy Speaker of the Republic of Armenia's (RA) National Assembly Eduard Sharmazanov said that, "Joining the Custom Union was very beneficial for us, and I think it has also solved the security problem... I can say that joining the Customs Union will help our political and economic dialogue, and why not, it will increase our level of security" (*Azatutyun Radiokayan, 2013*). In the words of the Foreign Affairs Minister Eduard Nalbandyan, "Armenia's EEU membership was of strategic importance to the RA". In the Minister's opinion, the EAEU accession provided Armenia with better and simpler access to safe product markets, as well as the single Eurasian Union market, duty-free access to the funding base, EAEU travel corridors, and the simplification of migration regimes, thereby attracting investment and establishing industrial and agricultural cooperation (*Arminfo, 2015*).

3. The Implications of Membership in the Eurasian Economic Union on Armenia's European Integration Processes

Nonetheless, since joining the EAEU Armenia has persistently sought to regain relations with the EU. In hopes of preserving key objectives related to enhancing domestic reforms and multi-vector foreign policy, Armenian officials declared that Armenia's membership in the EAEU would not affect its growing relationship with the EU (*Armenpress, 2013*) and that they intended to combine these two directions of the country's foreign policy: remaining in the EAEU while complementing that membership with further cooperation with the EU (*RFE/RL, 2013b*) as well as highlighting the country's role as a "bridge" between the EAEU and the EU and other economic blocs (*Armenpress, 2017*).

After taking a period of strategic pause, despite the EU's initial declarations on incompatibility between the two Unions and a closed window of opportunity for further cooperation with Armenia (*Mediamax, 2013*), in October 2014, a so-called "scoping exercise" was launched aimed to set the legal grounds for a future bilateral agreement and to identify policy areas that could be included in the new agreement and those that required revisions or exclusion taking into account Armenia's new commitments to the EAEU. Following the successful conclusion of the joint "scoping exercise", in May 2015, prior to the Eastern Partnership

Riga Summit, the European Commission adopted a recommendation for the Council to authorize the opening of negotiations on a framework for a new legal agreement between the EU and Armenia.

It is noteworthy that, in Latvian capital, reflecting the shortcomings of the Eastern Partnership project, the EU announced a new, so-called “two-tier approach” in its relations between the two groups of associated and non-associated countries, which would provide more flexible, tailor-made relations between the EU and the Eastern partners. In addition, the EU overhauled the European Neighborhood Policy in 2015 to better respond to the challenges of the evolving neighborhood to the East and South with a greater focus on stabilization, resilience, and security. One of the outcomes of the renewed ENP was also the higher level of differentiation in EU policy vis-à-vis the partner states (EEAS, 2015a). Consequently, this modified policy of differentiation resulted in abandoning a “one-size-fits-all” approach and more flexible policy that offered a compromise between Armenia’s membership in the EAEU and closer integration with the EU. During the Riga Summit a common understanding was reached “on the scope for a future agreement between the EU and Armenia aimed at further developing and strengthening their comprehensive cooperation in all areas of mutual interest” (European Commission, 2015, para 12). President Serzh Sargsyan, while speaking about the EU-Armenia partnership at the forth Eastern Partnership Summit on May 22, 2015, stressed that:

Armenia is committed to take steps jointly with its EU partners to design a new legal foundations for our relations, which will reflect, on one hand, the content of the preceding negotiations Armenia conducted with the EU and, on the other, will be compatible with the other integration processes, in particular, with the commitments stemming from our accession to the Eurasian Economic Union. Armenia, meanwhile, highly values application of differentiated and tailor-made approaches to every individual country, which shall be designed around the progress made in the implementation of reforms, and reiteration of the principle ‘more for more’. We strongly believe that all partners shall adhere to shared values and ensure peace and stability of the region. The Republic of Armenia will continue working exactly in this direction. (Sargsyan, 2015)

In December 2015, the EU and Armenia officially launched negotiations on a new overarching framework agreement aimed at deepening and enhancing their bilateral relations, covering cooperation

in all areas possible and compatible with Armenia's new international obligations related its membership in the EAEU (EEAS, 2015b). In this regard, it is noteworthy that at the commencement of the negotiations, the EU highlighted energy, trade, investments, and transport as the key areas to be included in the new agreement, whereas Armenia was engaged in intensive cooperation in a large number of areas from education, science, research, and innovation to air transportation and others (Kostanyan and Giragosian, 2017, p. 4-5).

Despite the political will from both sides to reach an agreement, the new negotiations were more complicated than the earlier talks on the AA and DCFTA, due to new impediments stemming from Armenia's membership in the EAEU and bilateral agreements between Armenia and Russia. For instance, Brussels rejected the Armenian side's proposal to include a so-called "carve-out" clause in the agreement, which would allow Armenia to opt out of various CEPA articles if there were new commitments made to the EAEU to ensure that the values underpinning CEPA and the implementation of the provisions remain firm (Kostanyan and Giragosian, 2017, p. 7).

Eventually, after nine rounds of negotiations lasting slightly over one year, on February 27, 2017 the EU and Armenia announced the conclusion of the negotiations, and one month later the CEPA was initialed in Yerevan. Undoubtedly, CEPA represents an important breakthrough for both Armenia and the EU by offering both sides a new platform to bring relations to a higher level within the larger framework of the revised ENP and EaP. As mentioned in the Joint Press Release by Armenia and the EU, "It will strengthen the political dialogue and set a solid basis for the continuation of economic and social reforms. Strong commitments to democracy, human rights, and the rule of law, underpin the new agreement and Armenia-EU future cooperation. The CEPA will also create the framework for stronger cooperation in sectors such as energy, transport and the environment, for new opportunities in trade and investments, and for increased mobility for the benefit of the citizens" (EEAS, 2017a).

On November 24, 2017 the EU-Armenia Comprehensive and Enhanced Partnership Agreement, aimed at broadening the scope of bilateral relations between Armenia and the EU, was signed in the sidelines of the fifth Eastern Partnership Summit in Brussels.

Although CEPA is less weighty than the prior EU Association Agreement and the DCFTA, as it does not contain the free-trade arrangements, it is strategically significant for both Armenia and the EU. First of all, the new

agreement lets Armenia regain and strengthen the European dimension of its “complementarity” policy. Secondly, CEPA provides an important basis for further deepening relations with the EU and Europeanization of Armenia’s legal and political systems, by replacing the outdated Partnership and Cooperation Agreement of 1999 with a legally binding and politically significant commitment reinforced by a substantial degree of conditionality.

At the same time, for the EU, CEPA represents the first successful example of the EU’s modified policy of differentiation that is based on a realistic consideration of the specific conditions, constraints, and needs of the EaP partner state. The EU-Armenia CEPA is also significant as a unique example of European engagement with an EAEU member state, which can subsequently help to avoid the creation of new dividing lines between EU-associated and EAEU-member neighbors. Apparently, Armenia’s membership in the EAEU and its continuous efforts to strengthen relations with the EU have catalyzed more flexible, demand-driven relations of the EU with the non-associated countries and allowed the EU to explore new possibilities of an “AA-minus” (Association Agreement without a DCFTA) framework, which subsequently can be offered to other EAEU members.

Nevertheless, the question remains as to whether and to what extent the conditions and constraints determined by membership in the EAEU would enable Armenia to comply with the provisions of CEPA and the reviewed ENP and to enhance the partnership with the EU further.

Out of the political, economic, and sectoral components of CEPA, the political dialog section has been less affected by Armenia’s EAEU membership and has kept the substance of the previously negotiated Association Agreement, as there is no issue of incompatibility with the EAEU’s provisions. As an important element of political association, CEPA includes rather extensive commitments in the areas of foreign policy, rule of law, justice, freedom and security, addressing cooperation on combating corruption, money laundering, organized crime, terrorism, irregular migration, border management, asylum, and others (EEAS, 2017b).

Obviously, the economic component of CEPA proved the most affected. Despite the fact that Armenia has advantageous access to the EU market under the EU Generalised Scheme of Preferences (GSP+), which provides for a zero duty rate for about 6,400 tariff lines (European Commission, 2020), the commitments within the EAEU substantially limit Armenia’s compliance with the EU market rules and hinder the reinforcement of economic cooperation. By becoming a member of the EAEU, Armenia not

only lost the DCFTA due to legal incompatibilities between the EU and the EAEU economic integration schemes but also forfeited its competence to negotiate a simple free trade agreement with other countries or groups of countries. To be more precise, Article 4 of the Treaty on the Eurasian Economic Union provides the creation of a common market of goods, services, capital, and labor (Treaty on the Eurasian Economic Union, 2014, Art. 4). Article 5 implies a strict compliance by the Member States with the principles and objectives of the EAEU in their economic policy (Treaty on the Eurasian Economic Union, 2014, Art. 5). And with it, Article 25 of the Treaty provides a common external tariff of the EAEU and other common measures regulating foreign trade in goods with third parties, as well as a common regime of trade of goods with third parties (Treaty on the Eurasian Economic Union, 2014, Art. 25). Therefore, membership in the EAEU brings loss of sovereignty over the country's trade policy and sets common EAEU tariffs that are incompatible with the elimination of tariffs planned under the DCFTA (Delcour et al., 2015, p. 19). Accordingly, CEPA's provisions related to customs provisions, technical barriers of trade (TBT), and sanitary and phytosanitary measures (SPS), being areas of competence of the EAEU, are rather superficial (EEAS, 2017b).

Regarding the implications on EU-Armenia sectoral cooperation — ranging from energy, environment, transport, and employment to education and civil society — Armenia's obligations vis-à-vis the EAEU limit the prospect of cooperation mainly in the fields of energy, transport, and connectivity. The ENP-review highlights the importance of energy cooperation both as a security measure and as a means for stable economic development via strengthening its energy dialog with partner countries in energy security, energy market reforms, and the promotion of sustainable energy (EEAS, 2015a). In conformity with provisions of the reviewed ENP, the CEPA package implies energy cooperation and enhancement of Armenia's energy efficiency, chiefly targeting the areas of sustainable energy development, alternative energy sources, and resilience-related matters (EEAS, 2017b). However, when it comes to energy, the new commitments within the EAEU and the country's bilateral agreements with Russia leave practically no space for the EU to boost energy cooperation with Armenia. In particular, Article 79 of the EAEU Treaty provides that “Member States shall develop a long-term mutually beneficial cooperation in the energy sector, conduct a coordinated energy policy, implement the gradual formation of common markets of energy resources in accordance with international treaties provided for in Articles 81, 83 and 84 of this

Treaty” (Treaty on the Eurasian Economic Union, 2014, Art. 79, 81, 83, 84). In addition, the signed 2013 gas agreement between the Armenian government with Russia, which granted Gazprom a monopoly to operate pipelines until 2043, severely affects the provisions of EU law and limits the scope of EU-Armenia energy cooperation.

Same limitations apply to the partnership in the field of transport and connectivity. Article 86 of the Treaty on the EAEU stipulates that “the EAEU carries out coordinated (correlated) transport policy aimed at ensuring economic integration, consistent and gradual creation of a single transport space on the principles of competition, openness, security, reliability, availability and environmental compatibility” (Treaty on the Eurasian Economic Union, 2014, Art. 86). This article leaves virtually no space for the EU to foster cooperation on transport connectivity and telecommunications, which is crucial not only to the economic development of the partners but most importantly for regional dialog and cooperation (EEAS, 2015a). Thus, while Armenia’s openness to the EU’s rules and templates remains high, the outlook for cooperation in many fields is severely constrained by participation in the Eurasian integration project, which requires a high degree of harmonization and compliance with its own policy, law, and regulatory frameworks.

Meanwhile, the 2018 Velvet Revolution and the subsequent power transition in Armenia may create new opportunities for the country’s foreign policy and advancement of EU-Armenia relations. While the leaders of the new administration do not seek to change Armenia’s foreign policy priorities or alter Armenia’s geopolitical alignments (Pashinyan, 2019), the emergence of Nikol Pashinyan’s new style of governance will arguably result in additional sovereign, Armenia-centric foreign policy decisions and, in the long run, in building more symmetric relations with Russia. Apparently, this new government, with its more proactive policymaking and declared efforts towards good governance, fundamental democratic reforms, and fight against corruption and oligarchic monopolies, will be more receptive to the EU templates, will bring new opportunities for efficient implementation of CEPA, and will provide greater political will and determination to deepen EU-Armenia relations.

However, despite the abovementioned points, a major breakthrough in EU-Armenia relations cannot be expected anytime soon due to unchanged conditions and constraints that determined Armenia’s geopolitical U-turn towards the Eurasian direction in the first place.

4. Conclusion

The intensification of the EU engagement with the South Caucasus region and the launch of the EaP initiative — which was entailing legal approximation with the EU's *acquis* — led to Russia's growing antagonism with the EU and a more assertive "near abroad" policy. The growing struggle between the West and Russia in Eurasia has significantly frustrated Armenia's delicate multi-vector foreign policy, making it difficult to maneuver between the country's Europeanization and security partnership with Russia.

Russia's coercive policy vis-à-vis Armenia and its overdependence on Russia in security matters left little room for the small landlocked country to achieve a Russian-European balance. Despite its quite successful integration into EU models and standards, Armenia, driven by security reasons, made a U-turn in the European integration dimension of its foreign policy in September 2013. Having succumbed to the Kremlin's political pressure due to the country's overreliance on Russia in traditional security, energy, and economic matters, Armenia quitted to pursue an Association Agreement with the EU and made a geopolitical choice in favor of the EAEU. Unsurprisingly, security priorities became a more vital aspect for Armenia to reconsider its integration model and to join the EAEU, given there were no security guaranties from the EU to mitigate the political and economic costs of antagonizing Russia.

Nonetheless, after the September 2013 events the country adopted a rather pragmatic approach with a clear focus on further political and economic cooperation with the EU in an attempt to ensure compatibility with the Eurasian direction, considering rapprochement with EU as an opportunity to regain a degree of balance in its foreign politics. The EU-Armenia Comprehensive and Enhanced Partnership Agreement signed on November 24, 2017 created a new framework for stronger cooperation between the EU and Armenia. Although CEPA is less weighty than the prior EU Association Agreement and the DCFTA, it is strategically important for both Armenia and the EU. From Armenia's perspective, the new framework agreement allowed the country to regain and strengthen the European dimension of its complementarity policy as well as provided an important legal basis for further Europeanization of Armenia's legal and political systems. With regard to the EU, CEPA represents the first successful example of the EU's policy of differentiation reflected in the reviewed ENP and the outcomes of the Riga EaP Summit, entailing

tailor-made offers adjusted to specific aspirations, constraints, and needs of the partner states. At the same time, Armenia's membership in the EAEU and its efforts to regain and strengthen its relations with the European Union allowed the EU to explore new possibilities of an "AA-minus" framework, which subsequently can be offered to other non-associated members of the EaP. That will create new possibilities for the EU to expand relations with other EAEU members and to engage with the EAEU in the common neighborhood, avoiding the creation of new dividing lines between EU-associated and EAEU-member neighbors. The EU-Armenia CEPA is an important test case for this approach.

Although the final assessment of CEPA's success has yet to be performed, the analysis of the interplay between Armenia, the EU, and the EAEU demonstrates that, while Armenia's openness to the EU's rules and templates remains high, the outlook for cooperation in many fields, is severely constrained by Armenia's participation in the Eurasian integration project. Despite the fact that Armenia has succeeded in signing the CEPA, which undoubtedly will further deepen and broaden the scope of bilateral relations between Armenia and the EU in political, economic, and social fields, Armenia's commitments vis-à-vis the EAEU indicate that there is little to no space for developing deep economic cooperation with the EU since abandoning the DCFTA with the EU and given the limitations in sectoral areas of cooperation, in particular, in the fields of energy, transport, and connectivity.

At the same time, the 2018 Velvet Revolution and the subsequent power transition in Armenia may, arguably, create new opportunities for the country's foreign policy and advancement of EU-Armenia relations, given the government's more sovereign, Armenia-centric approach and its determination to pursue a more calibrated and balanced foreign policy. In addition, the new Armenian government, with its declared democratic reforms and anti-corruption, anti-monopolies efforts, will apparently be more receptive to the EU reform-oriented initiatives and will provide greater political will and determination to deepen EU-Armenia relations. Nevertheless, a major breakthrough in EU-Armenia relations cannot be expected anytime soon, as the conditions that determined Armenia's geopolitical U-turn towards the EAEU have largely remained unchanged.

NOTES

- ¹ In March 2012, the European Parliament's Committee on Foreign Affairs adopted a document on Armenia comprising a proposal to replace the mandate of France in the OSCE Minsk Group with EU mandate, which the Armenian side found inappropriate.
- ² Meaning the countries with a better reform record would progress toward European integration, thus providing more differentiation between the countries involved.
- ³ However, the Armenian Government failed to harvest even the foreseen short-term economic benefits of the EAEU membership, as accession to the EAEU coincided with economic recession in Russia. To compare, Armenia's GDP growth in 2015 was 3.2 percent, in 2016 – 0.2 percent, in 2017 – 7.5 percent, in 2018 – 5.2 percent (World Bank, 2020).

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