

Hayk Torosyan

The EU–Armenia Cooperation Prospects

**Kieler Analysen zur Sicherheitspolitik Nr. 42
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Abstract:

Even after Armenia's accession to the EEU, Armenia–EU cooperation and further expansion is within the interest of both parties, considering that Armenia maintains a complementary foreign policy, which aims at having good relations with all the power centers. The EU is an advocate of reform in Armenia and, after Armenia's joining the EEC, the EU did not only decrease support for the implementation of reforms, but in contrast, for the period of 2014–2017 it expressed readiness to augment the level of assistance to Armenia. At the same time, Armenia as a part of the South Caucasus – an important geopolitical region for the EU – where both Armenia and the EU are supporters of the provision of peace; and a rich experience of Armenia–NATO and Armenia–CSTO cooperation can play an important role in ensuring international security.

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1. Introduction

After the collapse of the Soviet Union, the Republic of Armenia (RA) faced severe political and economic problems. The economy was devastated, vast amounts of resources were spent on the Nagorno-Karabakh conflict, corruption became widespread and systemic, and institutional reforms were just beginning. Moreover, the newly independent republic was caught in the middle of political maneuvers among the major regional and global players. To deal with this complex geopolitical situation, the RA National Security Strategy guided the state's foreign policy and security strategy following the principles of “complementarity” and “engagement” that seeks to develop relations with all regional players and states interested in the region. Such a vision that aims at active regional and international integration is held as the cornerstone of Armenia's foreign policy.¹ This complementarity is reflected in relations with the Russian Federation and the other powers, but not applied equally in all relations with partners. While having Russia as a strategic ally and number one security partner, Armenia has been able to maintain political, economic and social cooperation with the US, NATO, and the European Union.²

By choosing the European model of development as one of the priorities of its foreign poli-

cy, Armenia has been actively involved in the EU-proposed platforms for deepening its relationship and toward the gradual attainment of the standards and requirements for joining the European Union. Engagement with the EU bilateral and multilateral projects includes National TACIS³ where RA has been a member of the technical assistance program since 1993. The program was proposed by the EU in order to promote economic cooperation, trade and transport links among countries affiliated to the International Transport Corridor Europe-Caucasus-Asia. Within this framework, the EU provided support to the institutional, legal and administrative reform efforts in Armenia and in addressing the social consequences of transition and other regional programs (e.g., support to small and medium enterprises (SMEs), INOGATE⁴, TRACECA, etc.).

In 2004, inspired by the achievements of the largest expansion in its history, the EU developed a new tool for further advancing the European Neighbourhood Policy (ENP). This advancement aimed at “avoiding the emergence of new dividing lines between the enlarged EU and [its; H.T.] neighbours and instead strengthening the prosperity, stability and

3 Technical Assistance for the Commonwealth of Independent States.

4 INOGATE is one of the longest running energy technical assistance programmes funded by the European Union. It started in 1996 and works within the policy frameworks of the Baku Initiative and the Eastern Partnership. INOGATE cooperates with 11 Partner Countries to support a reduction in their dependency on fossil fuels and imports, improve the security of their energy supply and mitigate overall climate change; see <http://www.inogate.org/pages/1?lang=en>.

1 See Ministry of Defense of the Republic of Armenia (ed.): National Security Strategy of the Republic of Armenia, 26.01.2007, <http://www.mil.am/files/NATIONAL%20%20SECURITY%20STRATEGYeng.pdf>, (12.07.2015).

2 See Kotanjian, Hayk: On the strategic guidelines of the integrational complementarity, 20.10.2013, <http://www.mil.am/1384946291/page/221>, (13.08.2015).

security of all.”⁵ Further, the expanded policy was designed to promote specific economic and political reforms in the partner countries of the EU. Although, in 2003 the European Commission excluded the states of the South Caucasus from the proposed European Neighbourhood Policy, as they fell outside of the geographical scope of this initiative for the time being (the region had no direct land or sea borders with the EU in 2003),⁶ a year later in 2004, with the new phase of the EU enlargement to the east and after the Georgian “Rose Revolution” the EU included Armenia, Azerbaijan and Georgia in the ENP plans.

For Armenia, having its borders blocked by Azerbaijan and Turkey as a result of the Nagorno-Karabakh conflict, which depends on military assistance from Russia, as well as on Russian and Iranian energy supplies, the ENP was an acclaimed initiative that could break the relative isolation of the country from an international perspective. The ENP has become for Armenia an important catalyst for the implementation of reforms and the harmonization of the Armenian legislation to the EU; to attract significant financial assistance; to better integrate with the international community; to transition from the current geopolitical situation and international isolation, to a market

economy. As Armenian expert H. Kotanjian states, the European Neighborhood Policy was important for Armenia not only from the point of view of economic and defense security, but also in a more global conceptual sense. According to him ENP planned to direct integration processes towards the establishment of an atmosphere of stability and mutual trust according to bilateral and regional formats, what implied a solution to current problems in the South Caucasus and, particularly, for Armenia, which is blockaded on two sides,⁷

After the launch of the ENP, Armenia’s relations with the EU continued to evolve reaching the stage of Eastern Partnership (EaP)⁸, where Armenia, became a participant along with Georgia, Azerbaijan, Belarus, Ukraine and Moldova. Armenia in this way had made significant progress and even, as some EU officials labelled, became the “Leader” of Eastern Partnership.⁹ Compared with the ENP, of spe-

⁷ See Kotanjian, Hayk: Guidelines on Developing Armenian National Security Strategy in the Context of Regional Security Architecture, Yerevan 2008, p. 502.

⁸ Creation of a new platform for the implementation of the European Neighbourhood Policy of the European Union Eastern Partnership was launched on May 7, 2009 in Prague, after the annual period of preparation. In March 2008, after the EU has approved the initiative for the Mediterranean – supported by the southern Member States of the European Union, especially France – Polish Prime Minister Donald Tusk has proposed to develop such a platform for Eastern European neighbors of the European Union. On May 26, 2008 Polish and Swedish Foreign Ministers Radoslaw Sikorski and Carl Bildt presented a joint proposal for the Eastern Partnership to the European Commission. See more at <http://www.enpi-info.eu/library/content/polish-swedish-proposal-eastern-partnership>; (02.07.2015).

⁹ See n.a.: “Посол Польши в РА Здислав Рачиньски: Армения становится одним из лидеров программы ЕС ‘Восточное

⁵ See European External Action Service (ed.): What is the European Neighbourhood Policy, 10.10.2010, http://eeas.europa.eu/enp/about-us/index_en.htm, (02.07.2015).

⁶ See European External Action Service (ed.): Wider Europe – Neighbourhood: A New Framework for Relations with our Eastern and Southern Neighbours. Communication from the Commission to the Council and the European Parliament, Brussels, 11.03.2003, http://eeas.europa.eu/enp/pdf/pdf/com03_104_en.pdf, (01.07.2015).

cial significance is the Eastern Partnership’s multilateral framework that seeks to promote a “regional approach” – something that had hitherto been lost within the framework of the European Neighbourhood Policy. Within the Eastern Partnership – as a forum for dialogue and cooperation between the EU and partner countries – four thematic platforms were created that are divided by key areas of cooperation: Democracy, good governance and stability; Economic integration and convergence; Energy security; Contacts between people.¹⁰

2. Between European and Eurasian Unions

On the way to European integration, for Armenia, as well as for the rest of the EaP countries, to varying degrees, there remained the lingering question of maneuvering between the EU and Russia proposed economic unions. For quite some time Armenia was able to cope with it, but on September 3, 2013 after the announcement by RA President Serzh Sargsyan of the decision to join the Customs Union (CU), the delicate balance of complementarity in Armenia’s foreign policy was breached, in a way that refuted the negotiations with the EU related to signing the Association Agreement (AA) and the Deep and Comprehensive Free Trade Area (DCFTA), which were negotiated beginning with July 2010. The signing of these agreements, as well as simplification of the visa regime be-

tween Armenia and the EU were key factors in the development and strengthening of relations between the parties within the framework of the EaP.

Although, this decision of the Armenian government to accede to the CU was pragmatically determined by the prevailing military and security considerations in the South Caucasus and the challenges and security threats caused by armed conflict in the surrounding region, it was labeled as “a U-turn policy” and was perceived very critically by European officials and a fairly large mass of pro-European forces in Armenia. Most critics accused Armenia of failing to successfully conclude the negotiations on the Association Agreement in accordance with the Vilnius Summit of late November 2013.¹¹ Besides the fact that President Sargsyan argued that the decision was not a waiver of dialogue with the European institutions,¹² the European officials were firm in their standpoint that AA and DCFTA were a single document, and one could not be separated from the other.¹³

Moreover, Armenia’s membership in the CU, subsequently renamed as the Eurasian Eco-

11 See Traynor, Ian/Grytsenko, Oksana: Ukraine aligns with Moscow as EU summit fails, 29.11.2013, <http://www.theguardian.com/world/2013/nov/29/ukraine-yanukovich-moscow-eu-summit>, (07.07.2015).

12 See President of the Republic of Armenia: The RA President Serzh Sargsyan’s Remarks at the Press Conference on the Results of the Negotiations with the RF President Vladimir Putin, 03.09.2013, <http://www.president.am/en/interviews-and-press-conferences/item/2013/09/03/President-Serzh-Sargs>, (04.07.2015).

13 See n.a.: “EU Will Not Sign Agreement with Armenia, Commissioner Says”, 13.09.2013, <http://asbarez.com/113868/eu-will-not-sign-agreement-with-armenia-commissioner-says/>, (05.07.2015).

Партнерство”, 03.05.2013, <http://www.panorama.am/ru/politics/2013/05/03/rachinski/>, (07.07.2015).
10 See European External Action Service (ed.): EU Relations with Eastern Partnership, 2015, http://eea.s.europa.eu/eastern/index_en.htm, (06.07.2015).

conomic Union (EEU), became a stumbling block between Armenia and the EU even before the official decision of Armenia's accession to the organization. The European Union has repeatedly made it clear to Armenia that the latter should decide with whom the country wants to associate its future development – with the European Union or with the Eurasian Economic Union.

As early as on 20 December 2012, the Head of the EU Delegation to Armenia, Ambassador Traian Hristea stated, that “Armenia has the sovereign right to decide how she wants to see her further development, however she must either cooperate with the EU, or take part in the programs of the Eurasian Union, as it is impossible to develop economic and trade cooperation simultaneously with two different structures”¹⁴. This statement aimed to show that if Armenia were to join any customs union, it would not be compatible with a bilateral Deep and Comprehensive Free Trade Agreement between the EU and Armenia, because a customs union has a common external trade policy and an individual member country no longer has sovereign control over its external trade policies, what was later also confirmed by the then Spokesperson to the High Representative of the Union for Foreign Affairs and Security Policy Maja Kocijancic in the official stance of the EU on the possible accession of Armenia into the Customs Un-

ion.¹⁵ Thus, a point-blank “or-or” question posed to Armenia, the final decision on joining the Customs Union and the failure of the summit in Vilnius led to a cooling of relations between Armenia and the EU, and put on the agenda the question of “What is next?”

3. Armenia and EU: synchronizing watches

Throughout 2014, this substantial uncertainty continued, because there was no clarification on the commitments by Armenia to the Customs Union, as the development of relations between the EU and Armenia depended on them.

During the visit to Armenia in May 2014, President Francois Hollande of France urged the EU to find a way to enter into an Association Agreement with Armenia. “Europe must accept an agreement about an association with Armenia and Armenia can go with a trade-commercial union with Russia. It’s not a problem for me. It will be possible to have the two issues [but it is] compulsory to yield on the commercial union. We must work [on] this scenario”¹⁶. This became evident on January 20, 2015, during the fifteenth session of the Cooperation Council between the European Union and the Republic of Armenia, where the two sides confirmed their joint commitment to

14 See n.a.: “Траян Христее: Армения должна сделать выбор – Европа или Евразийский союз”, 21.12.2012, http://www.armtoday.info/default.asp?Lang=_Ru&NewsID=80019, (04.07.2015).

15 See n.a.: “Armenia: Customs Union or DCFTA”, 22.12.2012, <http://www.lragir.am/index.php/eng/0/politics/view/28488>, (02.07.2015).

16 See Stepanian, Ruzanna: “Hollande Says Armenia Can Reach EU Accord, Join Russian-Led Customs Union”, 12.05.2014, <http://www.rferl.org/content/hollande-says-armenia-can-reach-eu-accord-join-russian-led-customs-union/25382397.html>, (03.07.2015).

enhance and deepen their cooperation in all areas possible and compatible with Armenia's new international obligations.¹⁷ The EU showed its desire to continue building a new model of bilateral relations, implying that in the near future Armenia and the EU may sign a new Association Agreement, which will comprise only the political part.¹⁸

That the EU is not going to give up on the relationship is evidenced by the fact that for the 2014–2017 period it will provide assistance to Armenia in the amount of 140–170 million EUR,¹⁹ focused on private sector development, public administration and judicial reforms.²⁰ Moreover, the vital evidence confirming EU's desire to strengthen its relations with Armenia was the fourth Eastern Partnership Summit, which took place on 21–22 May 2015 in Riga, Latvia. Thus, as stated at the Joint declaration of the Summit, participants welcomed the common understanding reached within the scope of a future agreement between the EU and Armenia aimed at further developing and

strengthening their comprehensive cooperation in all areas of mutual interest; participants also expressed a desire to consider in due course dialogue on facilitating the visa regime with Armenia,²¹ what was later confirmed by the RA Minister of Foreign Affairs, Edward Nalbandian.²² The visa liberalization is a crucial point in the EU-Armenia relations and its successful completion will be the most successful story since 2013, and will open a new chapter in the bilateral relations of the Republic of Armenia and the European Union. But in order to ensure a positive culmination, the Armenian authorities should work intensively toward a beneficial outcome.

Given the fact that Armenia is a part of the very important region of the South Caucasus, EU's interest in Armenia is understandable, as the EU has pursued its geopolitical and economic interests in the region, which are closely related to energy priorities and the creation of important transport corridors. Given, the EU's priority to ensure its energy independence, possible alternative energy and oil resources are crucial to the EU strategy, as this industry of the European economy largely depends on energy resources from the Middle East and Russia. Accordingly, the EU is trying to diversify the import of hydrocarbons in order to

17 See Council of the European Union (ed.): “Cooperation Council EU-Armenia. good progress towards a deepened cooperation”, 20.01.2015, <http://www.consilium.europa.eu/en/press/press-releases/2015/01/cooperation-council-eu-armenia-good-progress-towards-deepened-cooperation/>, (02.07.2015).

18 See n.a.: “EU Official Opens Door To Armenian Association Agreement”, 21.01.2015, <http://www.azatutyun.am/content/article/26806354.html>, (08.07.2015).

19 EU bilateral assistance to Armenia amounts to €157 m for 2011–2013 (compared to €98.4 m for 2007–2010).

20 See European External Action Service/EUROPE AID (eds.): Programming of the European Neighbourhood Instrument (ENI) – 2014–2020: Single Support Framework Armenia 2014–2017, 03.11.2014, http://eeas.europa.eu/enp/pdf/financing-the-enp/armenia_2014_2017_programming_document_en.pdf, (10.07.2015).

21 See European Council (ed.): Joint Declaration of the Eastern Partnership Summit (Riga, 21–22 May 2015), 22.05.2015, <http://www.consilium.europa.eu/en/meetings/international-summit/2015/05/21-22/>, (04.07.2015).

22 See Ministry of Foreign Affairs of the Republic of Armenia: “Interview of Minister of Foreign Affairs Edward Nalbandian to Radio Liberty (Riga)”, 22.05.2015, http://www.mfa.am/en/interviews/item/2015/05/22/inter_free/, (06.07.2015).

reduce its economic dependence from traditional energy suppliers. The EU provides a viable solution to this political problem by bringing oil-producing countries of the Caspian region in its economic orbit. This also explains the concerns of Europe in the South Caucasus, which EU politicians see as a bridge between Europe and Asia and a source of energy and resources. The region continues to be a key member of the “Silk Road” and the geographical position makes it a potentially important crossroads of world trade.

Although, Armenia itself has no hydrocarbon resources, its role in the unobstructed transportation of such material is crucial, considering that the South Caucasus is a complex region with many unresolved conflicts, including Nagorno-Karabakh. All major pipelines stretching from Azerbaijan to Georgia and Turkey pass not far from the border of the Nagorno-Karabakh Republic.²³ This alone is reason for the European Union to be interested in deepening its relations with Armenia – a country with a stable system and a balanced approach to the regional peace processes – as both the EU and Armenia have a shared vision over the peaceful settlement of the Nagorno-Karabakh conflict within the framework of the OSCE Minsk Group, in contrast to the rhetoric constantly propagated by Azerbaijan in favor of the use of force for resolving the problem. The European Union has to re-estimate Armenia’s role in the region as an important factor

23 See Manvelyan, Armen: The EU Energy Policy in the Caucasus-Caspian Region: Implications of Regional Security, 22.11.2011, [http://www.psaa.am/hosting/file/PDF-s/Manvelyan-%20EOo13%20p66-68\(1\).pdf](http://www.psaa.am/hosting/file/PDF-s/Manvelyan-%20EOo13%20p66-68(1).pdf), (04.07.2015).

of maintaining peace which has taken the key responsibility to preserve security and peace, which benefits not only Armenia, but also the countries interested in the stable functioning of the South Caucasus energy corridor.²⁴

Moreover, after reaching a final accord on Iran's nuclear program, the Iran–Armenia–Georgia transport corridor for hydrocarbons is bound to become one of the most reliable and secure channels available. The construction and implementation of this alternative pipeline will reduce the Turkish monopoly on gas transportation from the region to European markets that align with one of the long term measures of the European Union’s Energy Security Strategy aimed at increasing the diversification of energy supplier countries and routes.²⁵ Taking into account the Russian presence in the South Caucasus and its monopoly on the Armenian gas system, the construction of a new pipeline going through Armenia is within the geopolitical interests of Russia as well, which is not interested in increasing the role of Azerbaijan and Turkey as hydrocarbon suppliers and transporters. If the Russian factor is dealt with properly vis-à-vis this project, it has all indications of successful implementation and strategic outcomes.

Armenia–EU cooperation in the security sector may continue beyond the region on other international platforms, as Armenia – Russia's

24 See Manvelyan, The EU Energy Policy.

25 See European Commission (ed.): Communication from the Commission to the European Parliament and the Council European Energy Security Strategy, 25.05.2014, <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52014DC0330>, (04.07.2015).

strategic ally and a founding member of the CSTO – also is a partner of the US and NATO. Armenia and NATO cooperate on democratic, institutional, and defense reforms, and have developed practical cooperation in many other areas, including peacekeeping operations.²⁶ This actually shows that Armenia occupies a unique place in terms of cooperation with both security organizations and it is extremely important to find new ways of cooperation in today's complex and tense situation in Russia–West relations. The advantageous symbiosis of knowledge and experience gained not only from NATO-led peacekeeping operations but also from the CSTO drills can be used, for instance, in post-2014 Afghanistan, after the withdrawal of NATO coalition forces. “Both NATO and CSTO attach great importance to neutralizing the possible threats coming from Afghanistan. Armenia may serve as an umbilical cord feeding the idea of future NATO–CSTO cooperation.”²⁷

In this regard, cooperation at the academic level could play an important role. At the stage of increased tensions in International relations on July 1–2, 2014, an International Strategic Policy Forum on “The integration of national and regional peacekeeping capacities into the global system of peace operations based on the

principles and standards of the UN” took place in Yerevan. The participation of top peacekeeping experts from Russia, Belarus, Kazakhstan, Kyrgyzstan, Tajikistan, Belgium, Israel, Italy, South Africa, the Netherlands, Sweden, and China – representatives of UN, the OSCE, the EU, the Shanghai Cooperation Organisation, the African Union, Pugwash Conferences on Science and World Affairs, and Stockholm International Peace Research Institute²⁸ showed that in times of deepening confrontations between Russia and the West, Armenia served as a regional as well as a global platform for expert-dialogue holding its own place in terms of bringing both sides around for cooperation.

Interests of Armenia and the EU also coincide in averting the growth of Islamic radicalism and survival of Christian communities in the Middle East. In this context, the threat of cleansing ethnic and religious minorities in the Middle East (where there are Armenian communities) is underscored given the growing influence of the Islamic State of Iraq and Syria, and the spread of radical Islam in the heart of the European Union. It is thought that the return of EU citizens formerly engaged in terrorist activities from the Middle East to their countries of origin could lead to the spread of radical ideas and Salafi-jihadist activities among local-European Muslim population, causing a threat to the internal stability and security of those countries.

26 See Information Centre on NATO in Armenia (ed.): NATO-Armenia Relations, n.d., <http://www.natoinfo.am/en/armenia-nato-relations/>, (10.07.2015).

27 See Avetisyan, Mikayel: The Eastern Partnership: Challenges and Opportunities for Regional Cooperation in the South Caucasus, in: Ionescu, Mihail E.: The Eastern Partnership: The Road So Far, (Center for East European and Asian studies), București 2013, p. 219.

28 See Ministry of Defence of the Republic of Armenia: International strategic policy forum in Yerevan, 02.07.2014, <http://www.mil.am/1404298881/page/14>, (05.07.2015).

Oppression of religious minorities in the Middle East also poses a serious danger to the Armenians and threatens the complete desertion of the Armenian communities from that region. This is especially important in view of the 100th anniversary of the Armenian Genocide, considering that actions targeted to exile Armenians from their cradle by Sunni jihadists are known to be carried out with assistance from the Turkish government. A case in point is the capture of Kessab village in March 2013 by Islamist terrorist forces, carried out on Turkish territory.²⁹ These problems link the EU and Armenia closer together, making their cooperation more important on different platforms that will be aimed at ensuring the security of both parties.

4. Conclusion

Thus, even after Armenia's accession to the EEU, Armenia–EU cooperation is in the interest of both parties, since Armenia is interested in continuing its complementary foreign policy, which aims at having good relations with all the power centers, and the EU shows signs of eagerness to continue cooperation in the political arena.

The EU is an advocate of reform in Armenia and after Armenia's joining the EEU the EU did not only decrease support for the implementation of these reforms, but in contrast, it is ready to provide a larger assistance package

for the period of 2014–2017. At the same time Armenia is a part of the South Caucasus, which is an important geopolitical region for the EU, where both sides are supporters of the provision of peace; and a rich experience of Armenia–NATO and Armenia–CSTO cooperation can play an important role in ensuring international security.

²⁹ See n.a.: “Armenians flee Syria after rebels seize historic area: The Syrian-Armenian town of Kassab was captured by Islamic rebels on Sunday, prompting residents to flee.” 28.03.2014, <http://www.nydailynews.com/news/world/armenians-flee-syria-rebels-seize-historic-area-article-1.1738031>, (02.07.2015).