

RSC STAFF ANALYSIS

No. 5 | February 2016

Consolidating Power: Armenia's Ruling Elite Prepares for a Transition to a Parliamentary Republic

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Coalition Government Again: Why Now?

During the past few weeks, Armenia has been going through a major government reshuffle. Late on 24 February, the ruling Republican Party and the Armenian Revolutionary Federation-Dashnaksutsiun (ARF-D) signed an agreement on cooperation. In return, the Dashnaksutiun is expected to receive three ministerial posts (the ministries of economy, education and territorial administration), as well as two regional governor positions.

This effectively means a return to the pro-government coalition after the party withdrew several years earlier, and which led to a period of single-party rule by President Serzh Sargsyan's Republican Party of Armenia (RPA). So, why, after such a long period of one-party rule, did the Sargsyan Administration decide to abandon its clear dominance and include the Dashnaksutiun in the government coalition?

For the Dashnaksutiun party, which despite its glorious past and strong influence in the Diaspora, the return to a ruling coalition helps to manage its has limited, and even declining standing in Armenia. The party was barely able to overcome the five percent barrier in the latest parliamentary election, and secured a marginal base of only five deputies within the current parliament.

In light of that political weakness and marginalization, therefore, why did President Sargsyan decide that his government needed to rely

on a party that has such minimal support among Armenian voters, and despite the fact that the ruling Republican Party holds a clear majority in the parliament, which allows it to forming a cabinet on its own?

One possible reason may stem from the influence Dashnaksutiun is believed to wield among Armenian Diaspora communities. Yet, this factor alone is hardly decisive and the Dashnaksutiun's participation in a pro-government coalition would hardly improve the negative perception of the Armenian government within the Diaspora. In addition, the degree of influence that the Armenia-based leadership of the Dashnaksutiun has over the party's Diasporan structures should not be overestimated.

A second possible reason may lie in the fact that the Dashnaksutiun is being awarded for its support of the government's constitutional reforms, and which the party vocally and visibly endorsed during the December 2015 constitutional referendum. This factor has probably played a role, and we can only speculate that some kind of deal was made prior to the referendum and that now President Sargsyan has simply delivered on his part of agreement.

However, this explanation is also insufficient, as the Dashnaksutiun's support for the constitutional changes was hardly a crucial factor in securing the passage of the referendum, and that limited role was also fairly obvious long before the referendum, meaning that the party's support hardly made any difference in the referendum results.

Therefore, it seems clear that ultimately, the Sargsyan Administration's decision to enter into a coalition with the Dashnaksutiun is part of a wider strategy aimed at consolidating power in preparation for the transition to a parliamentary republic in Armenia.

More specifically, the agreement between Dashnaksutiun and the Republican Party is part of a larger government reshuffle. This was also seen in the move to retire the long-serving head of the National Security Service (NSS), the 70-year old Gorik Hakobyan, who was replaced by a representative of a new generation of Armenian officials, the 35-year old Georgi Kutoyan, who had served in the presidential administration most of his career. Another important and related change was the replacement of the Ombudsman or Human Rights Defender, Karen Andreassyan, who had been known for his moderate but consistent criticism of the government, with Arman Tatoyan, another young official who had previously worked in the Justice Ministry. Both new appointees can be described as young technocrats, who are seen as predictable and reliable from the view of the presidential administration, and who do not have strong links to the Republican Party's "old guard."

Arguably, the recent appointments should be viewed in the context of President Sargsyan's effort to consolidate his influence in Armenian politics, in anticipation of the transition to the parliamentary system. The referendum has created a situation in which Serzh Sargsyan and his immediate circle may find themselves overly dependent on the Republican Party and, potentially, feel threatened by some influential figures within the Party's "old guard."

Most likely, Sargsyan intends to remain a decisive force in Armenian politics after his presidential terms expires in 2018. Of course, it is not yet entirely clear in what capacity Sargsyan plans to continue influencing Armenian politics: he may chose to assume a government office, a party office, or both, or, alternatively, he may try to project his influence through a hand-picked loyal "successor."

Whatever the case, Sargsyan needs to keep the Republican Party in check, to make sure that no covert or open opposition against his plans could emerge from within the party. In this context, the effective replacement of the Republican single-party government with a coalition cabinet, as well as the appointment of loyal young technocrats with no links to the party old guard seem to be part of this wider strategy.

Constitutional Reform: From Presidentialism to Partocracy?

Armenia has entered 2016 not only with a new constitution, but also with a new state of affairs in internal politics. The constitutional referendum of 2015 brought to a logical conclusion a process that had started with the destruction of the "Prosperous Armenia" party in February 2015. Moreover, it brought to a close a cycle of internal political processes, which started with the parliamentary elections of 2012. The outcome of this process has been the destruction or marginalization of most traditional opposition or "alternative" forces.

While the official results of the referendum have been questioned both by the opposition and by the observers, the fact that no large-scale protests followed, may be a sign that at least in the short-term perspective, the ruling government does not have to fear competition from political forces that can be described as "opposition." While new opposition forces are being created, they have have to be able to consolidate the support of the public, which, given the monopolization of financial, political and media resources by the ruling elite, is not an easy task, to say the least.

However, this does not mean that there will be no struggle for power in Armenia. Typically for authoritarian regimes, the struggle for power has moved away from the sphere of public politics into the sphere of "palace" intrigues and conspiracies. Clearly, in the short-term, Serzh Sargsyan has emerged as the greatest victor from the constitutional reform: he escaped the perspective of becoming a "lame duck" president, confirmed his position as the undisputed leader of the ruling elite and created an opportunity for himself to stay on the political stage after 2018. However, the implications of the change can be much wider and can go far beyond this. In the medium or long term, Sargsyan may find his own position endangered, precisely as a result of the constitutional changes.

So far, Sargsyan's influence has been based on the powers given to the presidential office by the 2005 constitution, which in turn was based on the 1995 constitution. The 1995 constitution had effectively elevated the presidency above the entire political system, allowing him to dominate all other state institutions, including the parliament and the ruling party/coalition, which were highly dependent on the president.

The 2005 version of the constitution somewhat strengthened the role of the ruling party/coalition, but still left the president with a strong mandate coming from popular vote and a decisive influence over all branches of government, including the parliament. To put it simply, the president could get rid of the ruling party (i.e. the party with a parliamentary majority), but it would have been almost impossible for the ruling party to get rid of the president.

On the contrary, according to the terms of the new constitution, the head of the executive will owe his position to the ruling party. Essentially, the ruling party will have the power to change the head of the executive power in a matter of days, if not hours. This hardly means that the new constitution can be described as more democratic; on the contrary, it has reduced the opportunities for ordinary citizens to influence the executive. Instead, Soviet-style party oligarchic rule may well be the unintended outcome of the constitutional change. The new constitution may even provide the perfect opportunity for a “soft” coup d’état by influential party bosses, of the type that took place in the Soviet Union in 1964, when Khrushchev was replaced by Brezhnev, to note one such example.

Potential Challengers

This does not mean that Sargsyan is in immediate danger. In the short-term he is likely to be able to maintain his influence within the Republican Party, and, consequently, in the country. And having rather brilliantly played various groups within the party against each other, Sargsyan has placed himself in the position of arbiter, thereby ensuring that no unified opposition against him can emerge within the party.

The fact that he is also firmly in control of the security forces is also helpful from the point of view of preventing a possibility of such a coup d’état from within his own party. However, it is not clear how long Sargsyan will be able to maintain the same degree of control over both the party and the security forces once he no longer enjoys the powers granted to him as president.

Sargsyan lacks both the personal charisma and the popular support that have allowed various authoritarian leaders to maintain their grip in power, without formally holding the highest office in the country (Libya’s Qaddafi being probably the most well-known example of this case).

While Sargsyan’s record in power suggests an undeniable talent for behind-the-scenes politics, it remains to be seen how long he will be able to maintain his dominant position within the Republican Party and the ruling elite in general when he no longer possesses the excessive presidential powers endowed by the old constitution. This could prove to be quite a complicated task, especially given the many challenges that Armenia will be facing in the coming years, both externally and internally.

In time, covert but influential competitors may arise from within the ranks of Sargsyan’s own party associates. Given the current balance of power within the Republican Party, the most influential person in the party, who could one day emerge as competition to Sargsyan, is Prime Minister Hovik Abrahamyan. Not only has Abrahamyan been one of the most influential figures within the government elite for several years, but his influence extends beyond the Republican Party, to include a close family connection with Gagik Tsarukyan, the former leader of “Prosperous Armenia.” During the last election, Abrahamyan played a key role in Armenian politics, as the person most responsible for mobilizing and effectively utilizing the government’s resources. Some observers have further speculated that the fact that the number of “no” votes in the referendum has been higher than expected may be explained by Abrahamyan’s reluctance to exert the full scale of his influence in that campaign.

Whether true or not, Prime Minister Abrahamyan’s future seems somewhat unclear after the constitutional changes are fully implemented. And as a figure that is both too independent and too influential to become a loyal successor to Sargsyan, he is unlikely to maintain his post, even in the case Sargsyan chooses not to assume that post himself.

However, it remains to be seen whether Abrahamyan would be willing to abandon his political ambition without a fight. If indeed Abrahamyan was to emerge as a competitor to Sargsyan, he could enjoy the support of a wide range of influential figures within the Republican Party, including the so-called “old guard” and many of the influential “businessmen-turned-deputies,” or so-called “oligarchs.” Moreover, a potential rebellion within the Republican Party is one of the challenges that President Sargsyan may face, while another challenge to his position may actually emanate from abroad.

The new political system allows influential players from abroad to exert their influence over affairs in Armenia without formally holding any official post. The old Constitution significantly limited the opportunities for influential Diaspora Armenian figures to influence Armenia's internal political process, effectively excluding them from the political process. This may no longer be true, however, as the transition to a parliamentary system of government may allow wealthy individuals from abroad, e.g. influential Armenians from Diaspora, to play a role in Armenian politics, including through the formation or financing of their own loyal political forces and parties.

Moreover, it is possible to imagine such a scenario in which these external actors could even influence the Republican Party itself, and form their own factions within the ruling party itself, and through such factions effectively gain control of the Armenian government. While foreign funding for political forces is illegal, this prohibition can be easily circumvented by influential Diaspora figures who hold significant wealth, investment and business interests in Armenia proper.

Against this background, much of the Armenian media and social networks have been offering their own speculation over different influential individual figures that may become the Armenian version of Georgia's "Bidzina Ivanishvili." For example, in recent months, three specific names have been mentioned in this context more often than others, with each of them being wealthy Russian Armenians: Samvel Karapetyan, Ruben Vardanyan and Ara Abrahamyan.

Of these three, only Ara Abrahamyan has so far been vocal about his political ambitions when, in 2015, he announced that he was planning to start his own political party. However, after his statement was met with mostly negative feedback in the Armenian media, he has largely stayed silent on whether he is going to follow up with this initiative.

The other two figures, Samvel Karapetyan and Ruben Vardanyan, have so far not been seen to be involved in any political activities and, moreover, have made every effort to diffuse speculation that they may be seeking a political career in Armenia. However, their activities and interests in business and philanthropy have still fostered consistent speculation over their potential political ambitions. The very fact that such speculation is taking place may be a cause for concern for President Sargsyan and his immediate circle.

Conclusion

In any case, as Armenia's new constitution will significantly transform the country's political system, the internal competition between various groups within the ruling elites is only likely to increase. Nevertheless, it is fairly certain that in the short-term the Republican Party will rally around Serzh Sargsyan's leadership, partly because the president will hold continue to wield his executive power through the end of his term in 2018, and partly due to the necessity of preparing for the parliamentary elections of 2017. In 2016, preparing for the parliamentary election will be the most important task for the Republican Party, which will tend to unite all of its various factions.

However, as Armenia's socio-economic situation will probably continue to deteriorate as a result of Armenia's excessive dependence on Russia's failing economy, the competition within the ruling elites is likely to become more aggressive. In a post-Soviet context, political power is closely related to economic clout, and the struggle for both is likely to become even fiercer, as the economy shows little sign of expected growth.

The intensification of the struggle for power within the elite may at some point coincide with rising discontent "from below." The fact that the traditional political opposition has been largely sidelined may create an illusion that the government is safe from threats emanating from public discontent. However, if the experience of various authoritarian regimes, including those brought down by the Arab Spring, has demonstrated, it is that weakness (or even absence) of an organized political opposition does not necessarily guarantee the stability of the regime.

On the contrary, when the political opposition is weakened or marginalized, and, thus, unable to channel discontent within society, it may create an illusion of stability, but will ultimately make an explosion more likely. Therefore, the more that the opposition is weakened, the higher is the chance that public discontent with the government and its policies is likely to be expressed through other, much more destructive and violent forms, leading to unforeseeable consequences. Adding the increasingly volatile geopolitical situation in the region to the picture, it becomes obvious that Armenia is experiencing today one of the most dangerous periods in its post-Soviet history.