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NO REST OR RESPITE FOR ARMENIAN POLITICS

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Introduction

On the morning of Sunday, 14 June, Armenian security forces and investigators raided and searched the residence of Gagik Tsarukyan, the head of the opposition “Prosperous Armenia” Party, in the town of Arinj, north of Yerevan. Following the search of his palatial home, Tsarukyan, a sitting member of the Armenian parliament and one of the country’s wealthiest men, was then brought to headquarters of the National Security Service (NSS) in central Yerevan for a more than eight-hour interrogation. At the same time, a number of his party officials and activists in the Gegharkunik region were interviewed by security officials.

Throughout the afternoon and evening of Tsarukyan’s interrogation, several hundred of his supporters gathered outside the headquarters of the security forces to demonstrate in support of the party leader. By evening, police arrested about 100 of the demonstrators, largely for brazenly violating limitations on public gatherings and social distancing requirements, and for openly defying the outright ban on rallies, each an element of the country’s state of emergency that remains in effect due to the COVID-19 crisis.

In Armenia, as with most countries, a Sunday morning is an unusual time for any such dramatic political development. But in this period of unprecedented crisis over the coronavirus, the usual context no longer applies. Beyond the unusual timing, however, politics in the South Caucasus remains driven by an especially strident appeal, with an intensity largely defined by polarized tribes and passionate clans.

Against that backdrop, the significance of these recent political developments in Armenia is less centered on the fortune or fate of any one political party or individual leader but is more central to the broader course of political culture and governance. Moreover, this most recent confrontation between the Armenian government and the political opposition also reveals some serious concerns over the longer-term implications for the future of pluralistic politics and deeper democratization in Armenia.

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Political Confrontation & Politicized Corruption

A Careful Calculus. The raid on the Tsarukyan estate was a significant demonstration by the security forces in several aspects. First, the decision to search the home on a Sunday morning was rooted in the necessity for surprise, designed to ensure little anticipation and no warning, in order to prevent any destruction of evidence. At the same time, it also reflected a careful calculation that a Sunday morning raid would likely be met with little resistance and less reaction from Tsarukyan's local loyal supporters. Yet both the media coverage and the immediate response by about two hundred of his supporters throughout the day tended to undermine that latter objective.

Ending the "Culture of Impunity." A second important aspect of the raid was the determination to show an end to the previous "culture of impunity" that prevailed under the old government for many wealthy businessmen that entered politics. The move was also intended to offset the growing perception that Tsarukyan had averted or evaded government scrutiny over the questionable origins of his massive personal wealth. But as a belated case of targeting Tsarukyan, the events of the day were too closely linked to the opposition leader's recent call for the resignation of the government.¹ That political confrontation, although culminating in an open clash that was clearly simmering for several months, has become the defining narrative and is seen as the government's response to his criticism, however.

"Storming the Palace." The third driver of these developments was the desire to exercise a forceful display of action against egregious wealth and arrogance, but also failed to avoid the perception of political retribution or person revenge. Nevertheless, for most ordinary citizens, the optics of a police raid that "stormed the palace" was a welcomed respite to the boredom and frustration of a coronavirus lockdown, especially given the ostentatious display of wealth by Tsarukyan and other, now outcast Armenian "oligarchs." This context of a public appetite to witness and welcome the demise and downfall of the once mighty is also a reality that only derides Tsarukyan and deprives his supporters of any broader support or sympathy.

The Criminal Investigation

In terms of the specific criminal context of this investigation, the search for evidence and related interrogations are only the latest such anti-corruption probes of former officials and scrutiny of some of the wealthiest figures in the country. More specifically, there are three separate directions of the anti-corruption probe targeting Tsarukyan. The first of what is likely to become three distinct criminal cases involves the operation of the Tsarukyan-owned "Shangri-La" and "Onira Club" casinos, which are reportedly unlicensed and faces charges of fraud and evading over \$60 million in relevant taxes.

The second line of inquiry in the investigation involves possible electoral fraud, based on accusations of "vote buying" and bribery in campaign financing violations during the campaign of one of the party's candidates in the 2017 parliamentary election. It is this investigation that triggered the brief detention and questioning of local party officials and activists in the eastern Gegharkunik region. Although this case is not necessarily linked to Tsarukyan directly, the investigation may seek to pressure him by targeting his senior party leaders and parliamentarians in the probe, and perhaps be used as leverage to coerce some of his associates to testify against him.

¹ "Tsarukyan Demands Armenian Government's Resignation," Radio Free Europe/Radio Liberty (RFE/RL) Armenian Service, 6 June 2020. <https://www.azatutyun.am/a/30656491.html>

And the third pending case is a lesser criminal investigation stemming from allegations that Tsarukyan was involved in an illegal decision by local officials in his Arinj community to improperly authorize and sanction illegal construction on some 7.5 hectares of agricultural land that was then illegally sold to the “Firma New” company owned by Tsarukyan.

Yet in terms of the three cases, there is a rather disappointing and surprisingly meager presentation of charges and set of accusations. For example, given Tsarukyan’s close association in the past with former President Robert Kocharian, the links between their respective business empires and the sheer scale of his personal wealth of dubious origins, the lack of corruption charges on a larger more impressive scale seems surprising. This only contributes to the perception of a more politicized investigation, falling short on expectations of a sufficient legal standard and seemingly not meeting the burden of proof for investigators. Thus, in both context and content, the charges against Tsarukyan only tend to bolster his argument that he and his party are the victims of “political blackmail.”

Assessing the Deeper Implications

An Inevitable Confrontation. For the Armenian government, the confrontation with the opposition “Prosperous Armenia” Party and its oligarch leader was inevitable. Given that party’s long history as a junior partner in previous ruling coalitions and the close ties to former President Robert Kocharian, the earlier political alignment with the Pashinyan government was never more than a temporary tactical alliance. And despite the seemingly belated nature of the move against Tsarukyan, a closer analysis reveals that this more gradual approach conforms more to Prime Minister’s Pashinyan now evident strategy of “divide and rule.”

Divide & Rule. More specifically, the Pashinyan government has tended to pursue both its anti-corruption targets and its political opponents through a staggered yet determined approach. As this strategy now reveals, the “divide and rule” concept is designed to preempt any coordinated collective response. Hence, the separate and staggered targeting of oligarchs may appear selective and arbitrary, but actually prevents any unified defense by individual oligarchs against the government. In political terms, this gradual approach was also applied to marginalize and mitigate the potential power and popularity of opposition forces and figures and, so far, has succeeded in isolating divergent opposition groups.

An Unlikely & Ineffective Opposition Leader. In the case of Tsarukyan, the government has been able to transform his defining traits of bombast and displays of ostentatious wealth into key points of vulnerability. For example, beyond a small circle of supporters, largely composed of those who either benefit from his wealth or seek to share in it, Tsarukyan has no real power base of his own. This political weakness is most evident in three key factors. First, there is a pronounced lack of sincere public support, as he remains notorious, but not genuinely popular. And for the party that he dominates only by force of personality and greed for wealth, there is no appeal to policy or ideology, revealing Prosperous Armenia as a largely discredited and latently diminished political rival or threat.

Second, neither Tsarukyan nor his party is capable of leading or building a unified opposition. The former ruling Republicans are largely absent, as they remember both the Tsarukyan clash with former President Sargsyan and the defection by Prosperous Armenia to support Pashinyan’s ascent to power. Likewise, the political irrelevance of the nationalist Armenian Revolutionary Federation-Dashnaktsutyun (ARF) and the still ineffective “Bright Armenia” Party, even with its seats in parliament, are not enough for any united opposition movement.

And third, any credible bid to effectively oppose the government must be based on offering a clear alternative policy vision and cannot succeed only from a call for a return to the arrogance and corruption of the past. After all, even objectively, Tsarukyan and his party was fortunate, at best, to garner a mere 8 percent of the vote in the country's rare free and fair parliamentary election in 2019, securing a meager 103,000 votes nationally at that time (compared to the nearly 885,000 votes for Pashinyan's "My Step" bloc).

Longer-Term Concerns

There are serious longer-term concerns over the implications of these developments, however. Most fundamentally, the government's unwillingness to govern more patiently and prudently through compromise and concession has only been exacerbated by two realities. The first political reality is rooted in the nature of the system, comprised by a still popular but less pluralistic form of government. And the current composition of a parliament overwhelmingly dominated by one party, with little more than token opposition is not an enviable model of democracy. It is also certainly not much of an improvement over the previous Republican Party-dominated legislature, despite the crucial free and fair election that has endowed it with a degree of unprecedented and unchallenged legitimacy.

A second disturbing reality is that this confrontation may deepen a more overt and open tendency to dismiss any and all dissent, no matter how constructive or instructive. The process of formulating public policy requires the consideration of more opinions and greater policy options. Yet the current state of political culture is increasingly becoming dangerously uniform, rewarding loyalty over competence. And the absence of effective institutional "checks and balances" only undermines critical accountability, with the ongoing "court crisis" over the holdover legacy Constitutional Court suggesting that a reformed judiciary may only become more obedient but much less independent.

Looking forward, although the Pashinyan government may rather easily marginalize the opposition Prosperous Armenia party and effectively mitigate the power of Tsarukyan's wealth, it must now recognize and respond to much more serious looming threats to pluralistic democracy in Armenia. And in a tragic display of both irony and farce, those very threats to Armenian democracy may emanate from the more democratic government itself. Popularity and self-confidence in politics are usually crucial advantages, but they also exert a powerful temptation to govern more from a position of arrogance over accountability, emerging as critical threats to an incumbent government. Thus, no matter how attractive or popular individual democrats may seem, democratic institutions are far more effective and essential for the future of Armenian democracy.