

Armenia at a Crossroads Between the EU and the EAEU, If There a Choose?

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Armenia attaches great importance to its relations with the EU. This intention has become especially strong since the velvet revolution in Armenia in 2018 and the rise to power of pro-Western leader Nikol Pashinyan,¹ and also after the 44-day war with Azerbaijan, after which Armenia withdrew its troops from the territory of Azerbaijan.²

The main reason for this is that Armenia sees the EU as an alternative to Russia. The reason for this is the strong dependence on Russia in political and economic terms, considering the EU as a significant option to offset this dependence on Russia.

Armenia does not have the ability to independently determine the scope of its relations with the EU. Since Armenia, as a small state, has limited power, it is unable to shape its foreign policy in the direction it desires. For this reason, Armenia cannot play an active role in determining the direction in which relations with the EU will develop; This is just an attempt to assess the proposed options.

Introduction

On January 9, 2025, the Armenian government approved a bill on the beginning of the country's accession process to the EU. The adopted document states that Armenia "announces the beginning of the membership process" in the EU. At the same time, Armenian Prime Minister Nikol Pashinyan stated that the decision on the country's accession to the EU can only be made through a national referendum.³ It is worth noting that the initiative came from civil society: organizations collected the 50 thousand signatures stipulated by the Constitution, and now this initiative has automatically become a bill.⁴ The process of joining the EU is very complicated and even if Armenia is granted candidate status, it will take a very long time in any case. For

¹ <https://www.journalofdemocracy.org/articles/armenias-velvet-revolution/>.

² <https://www.bbc.com/russian/news-54886782>.

³ <https://www.reuters.com/world/armenian-government-approves-bill-launch-eu-accession-bid-2025-01-09/>.

⁴ <https://rus.azatutyun.am/a/33283921.html>.

example, Montenegro, which became independent in 2006, began negotiations with the EU that same year, received candidate status in 2010, fulfilled all the conditions and is still waiting to be accepted into the union.

The situation is further complicated for Armenia by the fact that it is a member of another union competing with the EU - the Eurasian Economic Union (EAEU). It is impossible to be in two integration processes at the same time, and if Armenia wishes to join the EU, both this organization and will demand that Armenia withdraw from EAEU. At the same time, Armenia is a member of the pro-Russian military alliance, the Collective Security Treaty Organization, which does not interfere with its future membership in the EU. And although Armenia stopped its activities in this organization in February 2024, it is still a member.⁵

It is interesting that Armenia is geographically located entirely in Asia, and according to the Treaty of the European Union (Article 49), only a European country can be a member of the EU. Along with this, in the EU, being a European state is not a geographical definition, but a political one. As a result, Cyprus, which is also located in Asia, is a member of the EU. The EU accepts membership in the Council of Europe, the oldest European regional organization promoting the development of democracy and human rights on the continent, as a basis for being accepted as a European country. Considering that Armenia is a member of the Council of Europe, from this point of view, there should be no problems with its membership. Let us consider Armenia's relations with the EU and the factors influencing the relations.

Development of relations between the EU and Armenia

Relations between the EU and Armenia became a continuation of the ties that began to form between the European Communities (the name of the organization until 1991, when the EU was formed) and the USSR. After the collapse of the Soviet Union, the organization officially recognized the newly formed states, including Armenia, on December 31, 1991. The EU continued to provide humanitarian aid and was content with just that. At that time the EU's main focus was on the countries of Central and Eastern Europe and the Balkans.

After some time, the EU developed the TACIS (Technical Assistance to the Commonwealth of Independent States) Program. The program included a number of areas of cooperation

⁵ <https://www.dw.com/ru/armenia-zamorozila-svoe-ucastie-vo-vseh-organah-odkb/a-70103405>.

between the EU and the former Soviet republics.⁶ The period was from 1992 to 2006, from 419,06 million euros.⁷

In 1994, the EU developed a new legal instrument for countries that it did not plan to grant membership to. The PCAs have different characteristics for each country according to their differences. The EU signed the PCA with Armenia on 22 April 1996. The PCA entered into force in 1999 and formed the legal basis for EU-Armenia relations until 2004.⁸

Following the implementation of this program, with the initiative of Poland and Sweden, the EU developed a new program for six former Soviet Union states (Ukraine, Belarus, Moldova, Azerbaijan, Georgia, Armenia) located on the European continent. The name of this program is the Eastern Partnership Program (EP). The development of the EP stemmed from the need for the EU to provide broader opportunities to potential member states. Namely, within the framework of the program, the EU offered a certain level of economic integration, political dialogue and visa-free transit to the participating states. An Association Agreement (AA) would be signed with the participating states and this agreement would replace the previously existing PCA.⁹

Armenia hoped that it could balance Russia's dominant position in Armenia if it joined the EP and explained this with the "complementarism" in its foreign policy.¹⁰ Also the EP seemed like the first stage of integration into the EU for Armenia.

Further Development and Armenia Joining to the EAEU

The EU and Armenia have been working intensively for three years to create and shape the text of the EP AA. It was expected that agreement would be signed on November 2013 at the EP Summit in Vilnius, the capital of Lithuania. But during his official visit to Moscow in October 2013, Armenian President Serzh Sargsyan, made a sudden and unexpected statement after his meeting with Russian President Vladimir Putin, declaring that Armenia would join the EAEU,

⁶ https://ec.europa.eu/commission/presscorner/detail/en/memo_92_54.

⁷ Commission Staff Working Paper, Annex to: European Neighborhood Policy, Country Report, Armenia, com (2005) 72 final), SEC (2005) 285/3, Brussels, 02.03.2005.

⁸ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:21999A0804%2801%29>.

⁹ Rovshan Ibrahimov, AB ile Ermenistan İlişkilerin Tarihsel Gelişimi.

¹⁰ <https://css.ethz.ch/content/dam/ethz/special-interest/gess/cis/center-for-securities-studies/pdfs/CAD-13-2-5.pdf>.

which was formed under the leadership of Russia.¹¹ Even though Armenia's main goal was integration with the EU, it failed. It is known that Russia has a negative attitude towards the Euro-Atlantic intentions of the former Soviet Union states. Therefore, Russia pressured the Armenian government to change its priorities. Given Armenia's political and economic dependence on Russia, this was not difficult to do. The Russian private sector and the state own all strategic economic enterprises in Armenia. The last two presidents of Armenia retained their positions thanks to Russia's broad support.

The EU was very surprised by this statement of Armenia and declared that if this state becomes a member of the EAEU, the possibility of participating in any economic integration process with the EU is impossible. In contrast, in November 2013, the President of Armenia declared that Armenia is ready to sign the prepared text, except for the articles that foresee the establishment of the Deep and Comprehensive Free Trade Zone. Of course, such a development was considered impossible by the EU and rejected.¹² Armenia's declaration of full membership in the EAEU made the state even more dependent on Russia and deprived it of future balancing possibilities. Armenia understood that if it rejected the demands presented by Russia in Moscow, Russia would start imposing sanctions against it.

After Armenia joined the EAEU, there were questions in minds about how relations with the EU would develop: the AA was invalid for Armenia. Therefore, the EU and Armenia began to think about a new legal formula. This formula envisaged the development of a new type of agreement. The new agreement would not include free trade issues and would focus more on political dialogue and economic assistance.

Thus, on November 24, 2017, the EU and Armenia signed the restructured Comprehensive and Enhanced Partnership Agreement.¹³ In this case, the new agreement contained a broader framework than the PCA but a narrower framework than the AA. Armenia had lost the opportunity to benefit from even the narrow opportunities offered by the EU within the EP framework.¹⁴ According to the Comprehensive and Enhanced Partnership Agreement, Armenia received €160 million in aid between 2017 and 2020 (€40 million per year). Later,

¹¹ <https://euobserver.com/foreign/121304>.

¹² Rovshan Ibrahimov, AB ile Ermenistan İlişkilerin Tarihsel Gelişimi.

¹³ https://www.mfa.am/filemanager/eu/CEPA_ENG_1.pdf.

¹⁴ https://www.eeas.europa.eu/eeas/eu-and-armenia-comprehensive-and-enhanced-partnership-agreement-enters-force_en.

the EU allocated an additional €25 million in the context of its 2019 Annual Action Plan¹⁵

For the period 2021-2026, the EU has allocated an unprecedented €2.6 billion in aid to Armenia. The support will be directed to five priority initiatives jointly defined by Armenia and the EU, which relate to supporting small and medium-sized enterprises, the construction of the North-South highway and supporting infrastructure, the socio-economic development of the southern regions of Armenia, digital governance and the promotion of innovation, as well as the development of Yerevan as a green and smart city.¹⁶

Armenia and Desire for Joining to EU

The first reason is that Russia views the region of the former Soviet Union as part of its national interests (in this regard, in 1993, Russia proclaimed its foreign policy doctrine of the “near abroad” for this region) and openly opposes the entry of states into deep relations with Western institutions. Indeed, Ukraine, Georgia and Moldova, which seek close relations with the EU and NATO, have worsened their relations with Russia due to their own foreign policy aspirations and have faced very harsh sanctions from this country. An important issue is that both NATO and the EU recognize Russia's dominant position in the region and do not want to compete with it for regional states. It is not an exception that Russia will also react to possible steps by Armenia regarding its desire to integrate into the EU. Armenia is already taking steps to prevent an unwanted reaction from Russia. In short, during his visit to Moscow on January 21, 2025, at a meeting with his counterpart Sergey Lavrov, Armenian Foreign Minister Ararat Mirzoyan assured that Armenia does not have any deadlines or specific mechanisms in the adopted draft law on Armenia's accession to the EU and does not provide for anything new.¹⁷

The second reason is Armenia's membership in the EAEU. If Armenia wishes to join the EU, it will be necessary. The process of leaving the organization alone can take at least one year. At the same time, membership in the EAEU has a very positive effect on the Armenian economy. In short, the volume of Armenia's trade turnover in 2024 compared to 2023 increased by 41.5% and amounted to \$30 billion. Foreign trade turnover with the EAEU countries amounted to \$12.7 billion, an increase of 54%. Armenia's largest foreign trade partners are Russia (trade turnover in 2024 is \$12.4 billion (an increase of 56.5% (!) compared to 2023),

¹⁵ <https://www.consilium.europa.eu/en/press/press-releases/2019/06/13/joint-press-statement-following-the-second-partnership-council-meeting-between-the-eu-and-armenia/>.

¹⁶ <https://www.gov.am/am/news/item/15085/>

¹⁷ <https://rus.azatutyun.am/a/33283921.html>.

Belarus (\$205.5 million, an increase of 9.1%) - two EAEU members under Western sanctions. For comparison, trade turnover with the EU countries amounted to only \$2.33 billion with a decline of 11.7%.¹⁸ Thus, Armenia is not particularly eager to lose its existing privileges. So, the choice is not easy. Apparently, the economic factor in the development of relations will still slow down Armenia's active actions in the process of joining the EU.

The Current Prime-Minister of Armenia Nicol Pashinyan and his team came on a wave of promises that Armenia would choose the Western path and join the EU sooner or later. Pashinyan was concerned about the country's excessive dependence on Russia, which had formed during the presidencies of Robert Kocharyan and Serzh Sargsyan. The goal was to get out of Russia's orbit. In principle, the desire to distance oneself from Russia is the goal of any country in the former Soviet Union. Thus, under the current leadership in the country, Armenia wants to reduce its dependence on Russia and, if possible, begin integration with the EU. At the same time, Armenia acts very cautiously: this country is part of the pro-Russian EAEU, and its economy receives significant preferences from it. If Armenia wishes to join the EU, it has to leave the EAEU. Along with this, there are no guarantees that Armenia will become a member. At the same time, such a process can become a hazardous geopolitical project since Russia perceives the desire to integrate with Western institutions very negatively. This is evidenced by the country's relations with Ukraine, Georgia, and Moldova. Thus, while Armenia is taking some small step forward regarding integration with the EU, it is constantly turning back.

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¹⁸ <https://arka.am/news/economy/vneshnetorgovyy-oborot-armenii-za-2024-god-prevysil-30-mlrd-rost-zamedlyaetsya-uzhe-polgoda/>.

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