

Armenia's Eurasian Deal: Sell-Out or Fair Trade?

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As President Sargsyan stresses economic benefits of joining Russian-led bloc, others fear they are signing up to political union as well.

A year after deciding to align with Moscow rather than Europe, Armenia has joined a regional economic bloc that critics say will isolate it from the global economy and bring few tangible benefits in exchange.

Armenia was admitted to the Eurasian Economic Union on October 10 during a meeting of former Soviet leaders in Minsk.

In September 2013, President Serzh Sargsyan announced that his country would seek to enter the Customs Union, made up of Russia, Belarus and Kazakhstan. This was a big surprise since it meant abandoning a nearly-completed Association Agreement with the European Union after years of work.

The Eurasian Economic Union, which has a broader remit than the Customs Union was established in May, with the same three members. It comes into being in January 2015, and a decision has clearly been taken to grant accelerated membership to the two states that applied to join the Customs Union – Armenia and Kyrgyzstan, the latter expected to enter in 2015, making five member states.

At the signing ceremony, President Sargsyan insisted the bloc would benefit member states by allowing free movement of goods, services, capital and labour.

Russia is a longstanding ally of Armenia, supplying most of its gas as well as maintaining a military presence there, so closer economic integration might seem a natural next step. Some Armenians fear, however, that the Eurasian union is about much more than free trade, and that they risk being swallowed up in a new strategic bloc led by Moscow.

President Sargsyan addressed these concerns in a speech on Independence Day, September 21.

Noting that “some of our opponents are trying to portray entry to the Eurasian Economic Union as a loss of political sovereignty”, he said there was “no danger” to Armenia’s independence, which was “sacrosanct and inviolable”.

As for fears that aligning Armenia with Russia and other former Soviet states would lead to greater isolation, Sargsyan said the country would continue to be “an active, responsible member of the international family of nations”, and would engage with the EU, the United States, China, neighbours Georgia and Iran, and other friendly states.

Although an EU Association Agreement is no longer on the table, Sargsyan spoke of the importance of working with the EU on his return from Minsk,

“It’s important for our partners to know that we will never set this [Eurasian Economic Union membership] against our dialogue with the EU. That will continue since we have numerous coinciding interests and a common heritage, the basis for our continuing process of democratic reforms,” he said during a press conference with the visiting Serbian president.

His opponents disagree. Tigran Urikhanyan, press secretary of the opposition party Prosperous Armenia, said Armenia joined the Eurasian bloc out of necessity, and the real advantages were still unclear.

“We have no other choice. Armenia wasn’t offered an alternative,” he said. “The authorities who signed this treaty have yet to set out in a consistent and convincing manner what [accession] can actually give us.”

Tevan Poghosyan, who represents the Heritage Party in parliament, objected to entering into an association with Russia on the grounds that it has supplied weapons to arch-enemy Azerbaijan. (See [Yerevan Angry at Russian Arms Sales to Baku](#) on this issue.)

“Is that really our choice?” he asked. “Of course not. Joining a union like that can only happen through coercion.”

Before Armenia signed up for the Eurasian union, the Association of Informed Citizens lobbied for a referendum on accession given the risks to national sovereignty.

“This agreement runs contrary to the Armenian constitution, since it means Yerevan entrusting its entire taxation and trade policy to Moscow,” the association’s founder and project coordinator, Daniel Ionesyan,

told IWPR. “We will cease to be an independent state with regard to our foreign trade policy. For instance, we will have to obtain Moscow’s approval before starting negotiations with the World Trade Organisation or with other countries.”

Manvel Sargsyan, director of the Centre for National and International Studies in Yerevan, sees Eurasian bloc membership as the latest stage in a gradual process of ceding sovereignty to Russia.

“The Eurasian Economic Union is a wholly political project, a Russian geopolitical mechanism for the post-Soviet region,” he told IWPR. “The process of growing closer to Russia began from day one of Armenian independence [in 1991]. At that time, the Armenian leadership argued that the deployment of Russian troops was in Armenia’s interests. All three presidents of Armenia were drawn into a process of taking decisions like this. Unfortunately, Armenia has yet to design a professional policy for dealing with Russia.”

A lot has changed since President Sargsyan announced the switch to joining the Customs Union last year. Russia’s annexation of Crimea and support for rebels in east Ukraine has alarmed its other neighbours and brought down Western economic sanctions. So even if economic integration with Russia made sense a year ago, dependence on this troubled and increasingly isolated country no longer looks quite as attractive.

“The problems facing Russia as a state, its confrontation with the entire world, and its aggressive behaviour are cause for alarm,” Manvel Sargsyan said. “No one knows what future awaits it. Armenia’s voice will be of secondary importance in the union since we were coerced into joining it.”

Alexander Arzumanyan, a former foreign minister now representing the Free Democrats Party in parliament, agrees that accession is the wrong decision at the wrong time.

“At a time when our partner Russia is isolated and there’s no hope that it will enter into constructive dialogue with the West, we are planning to join a union that is under sanctions,” he said.

Recalling Armenia’s the close relationship with the late Boris Yeltsin’s administration in the 1990s, Arzumanyan said it “took Russia in a direction we could predict and it maintained excellent relations with the EU and NATO. That was a different Russia.”

Now, he continued, “We have chosen a European model of statehood founded on the free market, human rights and the rule of law. The model now operating in the Customs Union replicates the pattern of the Soviet, coercive state.”

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