

Inflation Sparks Virtual Protests in Armenia

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High prices are prompting younger people to vent their anger, though more on the internet than on the streets.

The younger generation of Armenians has generally been apolitical, but sharp rises in the prices of basic foodstuffs have driven them to take to the internet to call for street protests.

Writer Lusine Vayachyan began by calling for action on prices on Facebook, and on April 2 set up a website called Revoforum (Revolutionary Forum) as a place for Armenians to discuss economic hardship and other concerns.

“Revoforum has gathered aware, active members of society - street traders, kindergarten teachers, parents whose children were killed in the army, victims of dishonest property deals, women’s rights campaigners, students and journalists,” she said. “It’s a miniature version of society, with a diversity of views but a common aim - taking charge in this country.”

Official figures show that consumer prices rose by 11 per cent in the first three months of this year compared with January-March 2010, while food prices went up by 16.7 per cent over the same period.

The steep cost of living has angered 28-year-old sociologist Christine Deghoyan so much that she has been phoning around her friends to persuade them to join protests against the government.

“You can’t buy anything to eat for under 1,000 drams [2.50 US dollars]. A kilo of porridge buckwheat used to cost 400 drams; now it’s 950. In a situation like this, you can’t even consider buying a flat or anything,” she said.

Tatul Manaseryan, founder of the Alternativa research centre, said official inflation figures did not reflect the pain being felt by poorer sections of the population which were suffering disproportionately. People living below the poverty line were now spending 70 per cent of their income on food, while in more developed countries it was rare to spend more than 20 per cent even in times of crisis, he said.

Ara Nranayan, an economist who represents the opposition Dashnaktsutyun party in parliament, said that while younger Armenians were less politically-aware than their parents’ generation, the developing price crisis could change that, and also serve as a catalyst for bringing wider issues out into the open - the closed nature of the political system, an economy dominated by oligarchs, and more.

“Inflation isn’t the only thing affecting young people,” he said. “There’s also the problem of buying real estate, which doesn’t appear to be a priority for the government.”

Many economists attribute inflation to the concentration of large swathes of economic activity in too few hands, and argue that more competition would help keep prices down.

At the end of February, the Armenian parliament drafted a bill that would give the government the right to intervene to cap the price of any essential item that becomes 30 per cent more expensive over the course of a month. The strategy copies a similar measure adopted in Russia, but economists say it will not work in Armenia since so much of the food consumed there is imported.

“The Russian economy is a closed, self-sufficient system, while Armenia is dependent on imported goods, so a price-ceiling model can’t be used here,” independent economist Samvel Avagyan said.

Nranayan added that the regulation could prompt traders to withhold goods until they could legally raise their prices, leading to shortages.

“It would be better to have a competitive economy and high prices than a monopoly economy with artificially low prices,” he said. “If prices are high, then wages will be high.”

Speaking on April 13, Prime Minister Tigran Sargsyan said Armenia’s difficulties were caused by the global economic crisis, and that the government was doing everything it could to keep prices down.

In the meantime, the internet has become a channel for anger at the worsening economic situation. More than 70 per cent of internet users in Armenia are under 35, and sites like Facebook are increasingly being used to mobilise opposition to the government on a range of issues.

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